

FINANCIAL ACCOUNTING
FOR
NEW JERSEY ABBOTT SCHOOL DISTRICTS

Abbott Addendum to
The Audit Program

2002-2003

STATE OF NEW JERSEY
DEPARTMENT OF EDUCATION
DIVISION OF FINANCE
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SIGNIFICANT CHANGES FOR 2002-03

Government Accounting Standards Board Statement 34 (GASB 34):

Based on a review of each district's 1998-99 revenue as reported in the Audit Summary (Audsum) data collected by the New Jersey Department of Education, all Abbott districts should prepare their June 30, 2003 financial statements using the GASB 34 model for financial reporting. Therefore, the Abbott Addendum to the Audit Program has been updated to reflect only the GASB 34 financial reporting model. Districts should also refer to the sample statements, schedules, and selected note disclosures updated for GASB 34 on the NJDOE website at <http://www.nj.gov/njded/finance/fp/gasb34/outline.shtml>. The statistical and Single Audit sections have not changed under GASB 34 and illustrations of these sections are available on the NJ Society of CPAs web site at <http://www.njscpa.org/business/governmental.cfm>.

Last State Aid Payment

For budgetary purposes only, the last state aid payment for fiscal year 2002-03 will be considered revenue pursuant to P.L. 2003, c. 97 (A3521). The following Abbott schedules will continue to use the budgetary basis and will not require an adjustment to GAAP:

- Exhibit D-2 series - *Schedule of Expenditures Allocated by Resource Type – Actual*
- Exhibit D-3 - *Blended Resource Fund 15 Schedule of Blended Expenditures – Budget and Actual*
- Exhibit C-1a - *Combining Budgetary Comparison Schedule – General Fund*

The *Combining Balance Sheet* (Exhibit D-1) is optional and if prepared, should be on the GAAP basis. For year end conversion of the budgetary to GAAP modified accrual statements, an adjustment equal to the amount of revenue for each state aid category (both general fund and special revenue fund) included in the last state aid payment is necessary. This adjustment reduces the revenue and the Intergovernmental Receivable – State. Districts should have available the final state aid payment schedule (CEIFAPAY) as support for the adjustment of the applicable revenue. The expenditures that have been deducted from the gross revenue when the State calculates the net cash payments are not reversed since these have been paid in full as of June 30, 2003 by the State. For the GAAP basis financial statements, districts should not recognize the last state aid payment made in July 2003 until the 2003-04 fiscal year as in accordance with GASB 33. Districts and public school accountants should reference the Audit Program, Section I-8.10 through 14 for detailed guidance on this adjustment, and Section III-3.4 through III-3.7 and III-3.10 for disclosures.

Accounting for Early Childhood Programs

Beginning in 2002-03, Abbott districts no longer recorded the full cost of preschool and kindergarten programs in the special revenue fund for transfer to the blended resource fund (fund 15). Preschool appropriations for three and four year old programs are recorded in the special revenue fund (fund 20) and not transferred to fund 15, unless all preschool requirements were met. Appropriations for kindergarten programs are still recorded in the school-based budget of the school containing the classrooms (fund 15). Any transfer of general fund to the special revenue fund should be to augment preschool costs. Abbott districts that met all the requirements for preschool and still had unbudgeted ECPA revenue in fund 20 were required to transfer the remaining ECPA to fund 15 (line 13291) when preparing their 2002-03 budgets. Auditors should refer to the Budget Guidelines for Fiscal Year 2002-2003 Addendum for Abbott School Districts for further detail.

The following accounts were added or renamed in the budget for 2002-03 for preschool expenditures:

- Purchased Educational Services – Contracted Pre-K (20-211-200-321) was added to record the early childhood cost for 3 and 4 year old children attending community provider programs.
- Other Purchased Professional – Educational Services (20-211-200-329) was formerly titled Purchased Professional Educational Services (20-211-200-320) and should include early childhood purchased professional educational services other than community provider costs for preschool.
- Contracted Services – Transportation (Bet. Home & School) (20-211-200-511) was added to capture the cost of preschool transportation to and from school for 3 and 4 year old children that live between a half-mile and 2 miles from school.
- Contracted Services – Transportation (Wrap Around Serv.) (20-211-200-512) was added to capture the cost for transportation from the school offering the 6-hour education program to the community provider offering the 4 hours of wrap around services.
- Contracted Services – Transportation (Field Trips) (20-211-200-516) was formerly titled Contracted Services Transportation Other than Between Home and School and is now only used for field trips.

Preschool Expansion Aid

Preschool Expansion Aid (PSEA) is state aid available in 2002-03 for funding Abbott districts' increase in DOE approved budgeted costs from 2001-02 to 2002-03 for the projected expansion of preschool programs. Abbott districts were notified in writing of their original PSEA amount on February 25, 2003. Initial PSEA may have been revised based on NJ DOE audits of the October 15, 2002 ASSA enrollments for regular 3 and 4 year old preschool students. If no audit adjustment is necessary, the original notification of the PSEA is the final amount. PSEA is recorded as "Other State Aid" in the general fund and transferred to the special revenue fund on budget line 2511.

No Child Left Behind (NCLB)

Budgeting and accounting procedures for NCLB Consolidated Formula Subgrant funds have been revised for 2002-03. Districts were advised to include the same level of funding for their 2002-03 school based budgets (fund 15) as was included in their 2001-2002 Improving America's Schools Act federal funds for schools with school-wide statute. All "increases" to federal funds allocated to LEAs and schools above the 2001-2002 levels must be accounted for in the Special Revenue Fund (Fund 20). Allocated funds for new programs included in 2002-2003 NCLB are considered "increases" and are to be accounted for by program in Fund 20. See the July 22, 2002 NJDOE letter to Abbott Chief School Administrators in Appendix A-1 of this Abbott Addendum for further guidance. Auditors should refer to the excerpt from the NJDOE NCLB Fact Sheets on Abbott Districts at Appendix A-2 of this document.

Submission of Audit Package to the Department of Education

See The Audit Program pages III-1.2 and III-1.3 for revisions in the number of copies of the audit package and office addresses at the Dept of Education.

INTRODUCTION

Beginning with the 1999-2000 budget, Abbott school districts were required to submit school-based budgets for their schools included in the first cohort for implementation of WSR in addition to their districtwide budget for all other appropriations. Second cohort schools were required to begin submitting school-based budgets in 2000-01. Mid-year second and third cohort schools were required to begin submitting school-based budgets in 2001-02. Mid-year third cohort schools had the option to begin submitting school-based budgets in 2002-03. This addendum addresses audit and reporting issues specific to Abbott school districts implementing WSR and preparing school-based budgets.

The Blended Resource Fund (Fund 15), a subfund of the general fund, was created to allow budgeting of school-level appropriations and accounting for school-level expenditures. *N.J.A.C. 6A:24-4.4(a)4* requires all local, State and Federal funds to be considered general funds available for WSR activities, notwithstanding any restrictions that would otherwise apply, except where prohibited by federal law.

Highlighted paragraphs and sentences correspond to significant changes or information expanded in 2002-03. Minor changes to dates and other sentences are not highlighted. District personnel and their auditors are encouraged to read the entire document for the most comprehensive understanding of auditing and reporting Fund 15. This document has been updated to reflect GASB 34 reporting requirements.

As a result of *N.J.A.C. 6A:24-4.4(a)4*, the general fund in an Abbott District includes Funds 11–13, which collectively represent the operating fund of the district, and a Fund 15 for each WSR school. Fund 15 is school-level accounting while Funds 11 – 13 are district-level accounting. Transfers to fund 15 from the general fund (fund 11) or from the special revenue fund (fund 20) are reflected as “Contribution to WSR”.

The instructions in this document will assist in the preparation of the additional statements/schedules and the modifications to the existing schedules required to report WSR activities. District staff and their auditors should refer to the NJDOE web site <http://www.nj.gov/njded/finance/fp/gasb34/outline.shtml> for sample statements which can be downloaded and are available for use in the excel format. The sample statements are not all inclusive. Note that in the illustrative statements and schedules in this Addendum, only the first and last pages will be included in this addendum, with the exception that the entire Special Revenue Combining Schedule of Program Revenues and Expenditures – Budgetary Basis (Exhibit E-1) is included to show the amounts which are used in other schedules. The Instructional Supplemental Aid (ISA) is not applicable to Abbott districts, but is included as part of the sample statements which are also on the website noted above for use by all districts.

As outlined below, Section I includes additional schedules which are required in the CAFR to report the WSR activities. Section II includes schedules which have minor modifications to report the transfers to fund 15 accounts used only by Abbott districts, and a worksheet to calculate the encumbrance allocation by resource needed for preparation of the special revenue fund schedules

Section I – Additional schedules for Abbott districts (examples are included in this document)

- General Fund – Combining Budgetary Comparison Schedule – General Fund (Exhibit C-1a)
- General Fund – Combining Balance Sheet (Exhibit D-1) (Optional)
- Blended Resource Fund 15 - Schedule of Expenditures Allocated by Resource Type - Actual (for each WSR school and a districtwide summary) (Exhibit D-2 series)
- Worksheet of Encumbrances Allocated by Resource Type for Goods or Services Received after June 30, 2003 (Encumbrance Worksheet)

- Blended Resource Fund 15 - Schedule of Blended Expenditures - Budget and Actual (for each WSR school and a districtwide summary) (Exhibit D-3 series)
- Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance - Footnote 5 - Schoolwide Program Funds (Exhibit K-5)

Section II – Schedules with minor modifications to include the Fund 15 WSR activities. (Examples are not included in this document, instead see NJDOE web site)

- Budgetary Comparison Schedule - General Fund (Exhibit C-1)
- Budgetary Comparison Schedule – Special Revenue Fund (Exhibit C-2)
- Special Revenue Fund - Combining Schedule of Revenues and Expenditures – Budgetary Basis (Exhibit E-1)
- Encumbrance Worksheet - worksheet only to assist in preparation of the CAFR– not included in the actual CAFR
- Special Revenue Fund – Schedule of DEPA – Budget and Actual (Exhibit E-2)
- Special Revenue Fund – Schedule of ECPA – Budget and Actual (Exhibit E-3)
- Special Revenue Fund – Schedule of DLNA – Budget and Actual (Exhibit E-4)
- Schedules of Expenditures of Federal Awards (Exhibit K-3)
- Schedule of Expenditures of State Financial Assistance (Exhibit K-4)
- Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance – Footnote 3 - Relationship to Basic Financial Statements (Exhibit K-5)

SCHOOLWIDE PROGRAMS

One of the requirements of implementing school wide programs is to integrate, whenever possible, all local, state and federal resources into one funding stream for the WSR implementation plan. It is therefore important that districts are cognizant of the federal laws permitting blending of federal resources, particularly the Improving America's Schools Act of 1994 (IASA) P.L. 103-382, amendments to the Elementary and Secondary Education Act of 1965 (ESEA), Title I, Part A. ESEA was reauthorized by the No Child Left Behind Act of 2001 (NCLB) (Pub. L. No. 107-110 enacted January 8, 2002). Refer to <http://www.nclb.gov> and <http://www.nj.gov/njded/grants/entitlement/nclb/> for details of NCLB. In addition, the United States Department of Education (USDOE) website (www.ed.gov) provides written guidance, program ideas and audit information as well as a power point presentation on schoolwide programs at <http://www.ed.gov/offices/OESE/SASA/sw/>. Specific information on Title I can be found at <http://www.ed.gov/offices/OESE/esea/progsum/>.

The basics of a schoolwide program are summarized below. The above resources should be referenced for more detailed and specific information relating to operating a schoolwide program.

NCLB permits a local educational agency (LEA) to consolidate and blend funds together with other federal, state and local funds, in order to upgrade the entire educational program of a school that serves an eligible school attendance area in which not less than 40 percent of the children are from low-income families, or not less than 40 percent of the children enrolled in the school are from such families (NCLB §1114). The purpose is to increase the academic achievement for **all** students in the school by allowing schools to integrate their programs, strategies and resources.

A Title I targeted assistance program uses Title I, Part A funds only for the provision of supplementary educational services to eligible children who are failing, or at risk of failing, to meet state standards. In a Title I schoolwide program, a school is not required to provide supplemental services to identified children but instead can upgrade the entire educational program in the school.

In order to be eligible for a Title I schoolwide program, the school must be eligible for the Title I program; receive Title I, Part A funds; have at least 40 percent of the children enrolled in the school or residing in the school attendance area be from low-income families; comply with a year of planning; and, meet the eight essential program components. Title I eligibility and the 40 percent poverty level is determined using the Title I Eligibility of Public Schools form located in the NCLB Consolidated Subgrant Application. To promote effective, long-term planning, a school can maintain its schoolwide program eligibility even if it drops below the 40 percent poverty threshold. However, the school must still meet Title I eligibility and receive Title I funds. Note that the 40 percent threshold was reduced this year from 50 percent under IASA to 40 percent under NCLB.

If a specific school wants to operate a Title I schoolwide program but does not meet the poverty requirements, the LEA, on behalf of the school, must apply directly to the federal government for a waiver of the poverty requirements. Refer to the 2002-03 NCLB Consolidated Application Guidelines on the New Jersey Department of Education (NJDOE) website at www.state.nj.us/education to obtain the process and the timelines.

Title I eligibility is a prerequisite of schoolwide program eligibility. Without an approved schoolwide program, a school is not permitted to blend federal funds with state and local funds. These ineligible Abbott schools may only blend state and local funds. LEAs/schools may submit a waiver request to USDOE.

Only eligible Title I schools receiving Title I funds may operate schoolwide programs.

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT
(GASB 34 Reporting Model)

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ABBOTT DISTRICT SCHEDULE INSTRUCTIONS

SCHOOL-LEVEL SCHEDULES

BLENDED RESOURCE FUND - SCHEDULES OF BLENDED EXPENDITURES – BUDGET AND ACTUAL (EXHIBIT D-3 SERIES)

Overview:

The *Blended Resource Fund - Schedules of Blended Expenditures – Budget and Actual* (Exhibit D-3 series) are prepared from the district's records and are the responsibility of the district. A separate schedule for each school is prepared as well as a district-wide schedule. These schedules detail the budget and actual expenditures incurred to implement the WSR plan in the individual schools. These schedules are included as Other Supplementary Information in the CAFR (See Outline Of CAFR). Comparative schedules are not required. Sample schedules are included in this Addendum and are available in excel format on the DOE Finance/GASB 34 website at:

<http://www.state.nj.us/njded/finance/fp/gasb34>.

The United States Department of Education (USDOE) has given school districts which have an approved schoolwide program/WSR plan the authority to combine certain federal resources, and has interpreted “combining” funds as the use of a single accounting code for the schoolwide programs. Funds are viewed as combined at the time they are expended. This is accomplished in New Jersey by requiring all WSR schools to record school-based budget expenditures in the Blended Resource Fund (Fund 15). *N.J.A.C. 6A:24-4.4(a)4* states that except where prohibited by Federal law, all local, state and federal funds shall be considered general funds available for WSR activities, notwithstanding any restrictions that would otherwise apply. This expands the district's authority to blend certain federal funds to include certain state and local funding sources.

Fund 15 is considered a sub-fund of the general fund. Revenues are recorded in Fund 15 as operating transfers from the general (Fund 10) and special revenue funds (Fund 20). The WSR plan must identify the federal, state, and local programs that are to be combined and the resources to be used to support the WSR program.

The following programs can be blended in school-based budgets.

- Title I, Part A: *Improving Basic Programs Operated by Local Education Agencies*
- Title II, Part A: *Teacher and Principal Training and Recruiting Fund*
- Title II, Part D: *Enhancing Education Through Technology*
- Title III, Part A: *Grants and Subgrants for English Language Acquisition and Language Enhancement*
- Title IV, Part A: *Safe and Drug-Free Schools and Communities*
- Title V, Part A: *Innovative Program*
- Individuals with Disabilities Education Act (IDEA)

The auditor should review the districtwide and school-based budgets to identify which funds were combined to support the schoolwide program.

The auditor should also ensure that the individual schools have approved schoolwide status if federal funds are being blended in the school's school-based budget and that only allowable program funds are blended in the school-based budget.

Preparation:

The *Blended Resource Fund - Schedules of Blended Expenditures – Budget and Actual* (Exhibits D-3a through 3c) detail the budgeted and actual expenditures incurred to implement the WSR plans in the individual schools. This schedule should be prepared for each WSR school in the district. Districts are required to include the following columns:

- Original Budget
- Budget Transfers
- Final Budget
- Actual
- Variance Favorable (Unfavorable)/ Final to Actual

The original “budgeted” appropriations are taken from the Abbott school-based budget section of the district’s 2002-03 final approved budget and should include the rollover of prior year encumbrances. The final budget is the budget adjusted for approved transfers. See Appendix B for the Abbott transfer policy. Abbott districts do not utilize the special schools series of account and budget numbers in school based budgets, therefore any budgetary schedules or worksheets will not include these lines.

The original “budgeted” revenues are reported as operating transfers below the expenditures, and are obtained from the Abbott school-based budget section of the district’s 2002-03 final approved budget. The “actual” revenues are adjusted (by closing entries) to equal the amount of revenues necessary to exactly offset the individual funding source’s proportionate share of expenditures and encumbrances once that amount has been determined. A detailed discussion of this calculation is contained in the section entitled “Preparing the Blended Resource Fund – Schedule of Expenditures allocated by Resource Type – Actual (Exhibit D-3 series).”

The *Blended Resource Fund - Schedules of Blended Expenditures – Budget and Actual* (Exhibit D-3 series) included in the sample schedules include only the totals of the individual categories from each expenditure category which would be included in Fund 15. **The actual schedules should be prepared detailing all accounts that are applicable to the particular school.**

After the individual school *Blended Resource Fund - Schedule of Blended Expenditures – Budget and Actual* (Exhibits D-3a through D-3b) are completed, a district-wide *Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual* (Exhibit D-3) must be prepared. The district-wide schedule (Ex. D-3) is a summation of the individual school schedules (Exhibits D-3a through D-3b). Following the completion of these schedules, the *Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type –Actual* (Exhibit D-2 series) can be prepared.

ANYTOWN SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
for Fiscal Year Ended June 30, 2003

<u>Districtwide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REGULAR PROGRAMS - INSTRUCTION					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	\$ 22,800	\$ 434	\$ 23,234	\$ 16,556	\$ 6,678
Grades 1-5 - Salaries of Teachers	337,000	(7,000)	330,000	310,000	20,000
Grades 6-8 - Salaries of Teachers	426,000	5,000	431,000	400,000	31,000
Grades 9-12 - Salaries of Teachers	400,000	10,000	410,000	380,000	30,000
Regular Programs - Home Instruction:					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional -Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	277,500	(7,500)	270,000	269,332	668
Purchased Professional-Educational Services	120,000	10,000	130,000	129,000	1,000
Purchased Technical Services	123,500	1,500	125,000	124,500	500
Other Purchased Services (400-500 series)	80,000	-	80,000	79,500	500
General Supplies	20,000	-	20,000	18,748	1,252
Textbooks	24,000	1,000	25,000	22,500	2,500
Other Objects	5,000	-	5,000	4,500	500
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>1,835,800</u>	<u>13,434</u>	<u>1,849,234</u>	<u>1,754,636</u>	<u>94,598</u>

Note - This sample shows only the first and last page of the Schedule. For a more complete sample, refer to the illustrative financial statements at the web site:
<http://www.nj.gov/njded/finance/fp/gasb34/outline.shtml>

ANYTOWN SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
for Fiscal Year Ended June 30, 2003

<u>Districtwide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
District-wide School Based Expenditures	5,884,610	(102,876)	5,781,734	5,517,958	263,776
Other Financing Sources:					
Operating Transfer In	5,884,610	(102,876)	5,781,734	5,517,958	263,776
Total Other Financing Sources:	5,884,610	(102,876)	5,781,734	5,517,958	263,776
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note - This sample shows only the first and last page of the Schedule. For a more complete sample, refer to the illustrative financial statements at the web site:
<http://www.nj.gov/njded/finance/fp/gasb34/outline.shtml>

ANYTOWN SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
for Fiscal Year Ended June 30, 2003

<u>School: Lincoln</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REGULAR PROGRAMS - INSTRUCTION					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	\$ 8,000	\$ 329	\$ 8,329	\$ 5,064	\$ 3,265
Grades 1-5 - Salaries of Teachers	173,000	(5,000)	168,000	168,000	-
Grades 6-8 - Salaries of Teachers	195,000	5,000	200,000	200,000	-
Grades 9-12 - Salaries of Teachers	105,000	5,000	110,000	110,000	-
Regular Programs - Home Instruction:					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional -Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	128,000	(8,000)	120,000	120,000	-
Purchased Professional-Educational Services	40,000	10,000	50,000	50,000	-
Purchased Technical Services	50,000	-	50,000	50,000	-
Other Purchased Services (400-500 series)	30,000	-	30,000	30,000	-
General Supplies	5,000	-	5,000	4,248	752
Textbooks	3,000	2,000	5,000	4,500	500
Other Objects	-	-	-	-	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>737,000</u>	<u>9,329</u>	<u>746,329</u>	<u>741,812</u>	<u>4,517</u>

Note - This sample shows only the first and last page of the Schedule. For a more complete sample, refer to the illustrative financial statements at the web site:
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ANYTOWN SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
for Fiscal Year Ended June 30, 2003

<u>School: Lincoln</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
TOTAL SCHOOL BASED EXPENDITURES	<u>2,822,700</u>	<u>(26,871)</u>	<u>2,795,829</u>	<u>2,751,983</u>	<u>43,846</u>
Other Financing Sources:					
Operating Transfer In	<u>2,822,700</u>	<u>(26,871)</u>	<u>2,795,829</u>	<u>2,751,983</u>	<u>43,846</u>
Total Other Financing Sources:	<u>2,822,700</u>	<u>(26,871)</u>	<u>2,795,829</u>	<u>2,751,983</u>	<u>43,846</u>
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note - This sample shows only the first and last page of the Schedule. For a more complete sample,
refer to the illustrative financial statements at the web site:
<http://www.nj.gov/njded/finance/fp/gasb34/outline.shtml>

ANYTOWN SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
for Fiscal Year Ended June 30, 2003

<u>School: Washington</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REGULAR PROGRAMS - INSTRUCTION					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	\$ 14,800	\$ 105	\$ 14,905	\$ 11,492	\$ 3,413
Grades 1-5 - Salaries of Teachers	164,000	(2,000)	162,000	142,000	20,000
Grades 6-8 - Salaries of Teachers	231,000	-	231,000	200,000	31,000
Grades 9-12 - Salaries of Teachers	295,000	5,000	300,000	270,000	30,000
Regular Programs - Home Instruction:					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional -Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	149,500	500	150,000	149,332	668
Purchased Professional-Educational Services	80,000	-	80,000	79,000	1,000
Purchased Technical Services	73,500	1,500	75,000	74,500	500
Other Purchased Services (400-500 series)	50,000	-	50,000	49,500	500
General Supplies	15,000	-	15,000	14,500	500
Textbooks	21,000	(1,000)	20,000	18,000	2,000
Other Objects	5,000	-	5,000	4,500	500
TOTAL REGULAR PROGRAMS - INSTRUCTION	1,098,800	4,105	1,102,905	1,012,824	90,081

Note - This sample shows only the first and last page of the Schedule. For a more complete sample, refer to the illustrative financial statements at the web site:
<http://www.nj.gov/njded/finance/fp/gasb34/outline.shtml>

ANYTOWN SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
for Fiscal Year Ended June 30, 2003

<u>School: Washington</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
TOTAL SCHOOL BASED EXPENDITURES	<u>3,061,910</u>	<u>(76,005)</u>	<u>2,985,905</u>	<u>2,765,975</u>	<u>219,930</u>
Other Financing Sources:					
Operating Transfer In	<u>3,061,910</u>	<u>(76,005)</u>	<u>2,985,905</u>	<u>2,765,975</u>	<u>219,930</u>
Total Other Financing Sources:	<u>3,061,910</u>	<u>(76,005)</u>	<u>2,985,905</u>	<u>2,765,975</u>	<u>219,930</u>
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note - This sample shows only the first and last page of the Schedule. For a more complete sample,
refer to the illustrative financial statements at the web site:
<http://www.nj.gov/njded/finance/fp/gasb34/outline.shtml>

***BLENDED RESOURCE FUND 15 - SCHEDULE OF EXPENDITURES ALLOCATED BY
RESOURCE TYPE – ACTUAL (EXHIBIT D-2 SERIES)***

Overview:

The *Schedule of Expenditures Allocated by Resource Type - Actual* (Exhibit D-2 series) is prepared from the district's records and is the responsibility of the district. A separate schedule is prepared for each school in order to calculate surplus/carryover by funding source at the school level. The individual school-level carryovers are added together to determine the districtwide surplus/carryover by funding source. Comparative schedules are not required. These schedules are to be included in the Other Supplementary Information section of the CAFR (see OUTLINE OF CAFR). Sample schedules are available on the DOE Finance/GASB 34 website at <http://www.state.nj.us/njded/finance/fp/gasb34>.

The resource types and amounts included on the *Schedule of Expenditures Allocated by Resource Type-Actual* represent the resources, including June 30, 2002 fund balance reserved for encumbrances associated with the general fund contribution at June 30, 2002, and any deferred revenue or carryover from 2001-02 which was budgeted in 2002-03 to fund the WSR plan. Schools not required to prepare school-based budgets in 2001-02 would include only the 2002-03 resource allocations on the school's *Schedule of Expenditures Allocated by Resource Type-Actual* and would not have school-level fund balance reserved for encumbrances associated with the general fund contribution at June 30, 2002, nor deferred revenue or carryover at July 1, 2002, with the exception of DEPA carryover from the prior year.

Total expenditures reported on the *Schedule of Blended Expenditures – Budget and Actual* will be allocated to the various funding sources using the ratio of the individual resource to the total resources in that school. For example, if 25% of the resources blended in a school are from Title 1, then 25% of the expenditures in that school are Title 1 expenditures. There will not be any deferred revenue/carryover resulting from budgeted restricted state aids because restricted state aids are considered spent before the general fund contribution when allocating expenditures to state and local contributions to whole school reform. This results in any unspent state or local contributions to WSR falling to general fund surplus at June 30.

Calculation For the First Year of Implementation of WSR:

The percent of resources calculation used to allocate expenditures to the various funding sources is detailed on the *Schedule of Expenditures Allocated by Resource Type – Actual* (Exhibit D-2 series). The “% of Total Resources” column is a calculation of what percentage each resource type is of the total resources blended in the school-based budget. The calculation is the individual resource amount divided by the total of all resources. “Total Expenditures Allocated as a % of Total Resources” is calculated as the total actual expenditures from the individual location's *Schedule of Blended Expenditures – Budget and Actual* (Exhibit D-3) multiplied by the “% of Total Resources” for each funding type. “Total Surplus/Carryover” is the surplus/carryover for each resource type and is calculated as the difference between the “Resource Amount” and the “Total Expenditures Allocated as a % of Total Resources.” For federal programs, “Total Surplus/Carryover” at June 30 is considered deferred revenue and is referred to as deferred revenue/carryover throughout this document.

Calculation for Second and Subsequent Years of Implementing WSR:

In the second and subsequent years of implementing WSR, schools will have deferred revenue/carryover from June 30 of the prior year as well as current year resource allocations to be blended in their school-based budgets.

Once the prior year June 30 allocation is performed and the deferred revenue/carryover for the federal funding sources is calculated, the LEA has the option of reallocating the federal funds back to the schools on July 1st in the amounts that were originally deferred, or reporting the amounts as unexpended program funds at August 31st and including the amounts on the district's carryover application as of August 31, 2003.

Since the state fiscal year is July 1 through June 30, and the federal grant period is September 1 through August 31, if the deferred revenue/carryover is reallocated back to the schools at July 1st of the subsequent year, an additional allocation similar to the one detailed above, in the section entitled "Calculation For the First Year of Implementation of WSR," is required for July and August of the subsequent year to determine the various federal program expenditures to be included on the final expenditure report. If this approach is taken, the calculation of expenditures allocated by resource type should be prepared in two pieces; July and August; and, September 1 through June 30. These two pieces from the current fiscal year will be added together for CAFR reporting purposes. The July and August piece will be added to the prior year September through June piece for federal final expenditure reporting purposes.

If the prior year June 30 deferred revenue/carryover is reported as unexpended program funds at August 31 and included on the district's carryover application as of August 31, 2003, expenditures allocated to the various funding sources on June 30 of the subsequent year are calculated based on the ratio of total deferred revenue/carryover plus the current year allocation to the total resources blended in the school-based budget. The total school-based expenditures are then multiplied by this percentage to determine the school-based expenditures allocated to the particular funding source. Once the total school-based budget expenditures allocated to the particular funding sources are determined, **those expenditures are allocated to the deferred revenue/carryover/general fund reserve for encumbrances before being allocated to the current year allocation** when determining deferred revenue/carryover at June 30 of the subsequent year. For example, if the Title 1 allocation was \$10,000 for 2002-03 and the 2001-02 carryover was \$1,000, total Title 1 expenditures are allocated first to the \$1,000 carryover and then to the \$10,000 current year allocation. Therefore, if the Title 1 allocated expenditures are \$9,000, the \$1,000 carryover was spent first and the remaining \$8,000 was spent from the current year allocation. This process is repeated each June 30 to allocate expenditures, determine June 30 deferred revenue, and report carryover on August 31.

Operating Transfers and Districtwide Summary:

Once the total expenditures by resource type are determined, districts are required to adjust the corresponding revenue amounts recorded in Fund 15 for each WSR school. This is accomplished as part of the year-end closing procedures similar to the revenue adjustments on Exhibit C-2. An equal and corresponding operating transfer into Fund 15 should offset the GAAP basis expenditures reported for each funding source. Federal deferred revenue/carryover associated with allocations to WSR schools should be reported in the special revenue fund at June 30, 2003 with a corresponding operating transfer into Fund 15. *N.J.A.C. 6A:24-4.4(a)* considers all state funds to be general funds available for WSR activities; therefore, there will be no state deferred revenue associated with the Contribution to WSR at June 30. **Once DEPA, ECPA, and DLNA funds are transferred to Fund 15, they are considered**

general funds to be spent in Fund 15 and are determined to be fully spent in Fund 20. Therefore, the actual expenditures recorded on the “Contribution to Whole School Reform” line will always equal the budgeted amount on that line. Any budgeted and unspent DEPA, ECPA, or DLNA contribution to WSR included in Fund 15 at June 30 is recorded as general fund surplus. Unbudgeted DEPA, ECPA, or DLNA should be reflected in the appropriate carryover calculation in the special revenue fund section of the CAFR.

Once a *Schedule of Expenditures Allocated by Resource Type - Actual* (Exhibit D-2 series) is prepared for each location, a district-wide summary is prepared. This summary provides the detail of the expenditures by funding source necessary to complete the *Worksheet of Reserve for Encumbrances Allocated by Resource Type for Goods and Services Received after June 30, 2003* (D-2 Worksheet). This worksheet is necessary to convert GAAP basis expenditures to the budgetary basis for inclusion in *Schedule of Expenditures of Federal Awards and State Financial Assistance* (Exhibits K-3 and K-4, respectively). **The districtwide summary is a summation of the amounts reported on the individual school calculations. This information is not to be recalculated for the district as a whole.**

Since schoolwide programs are not separate federal programs as defined in OMB A-133, nor separate state programs, amounts used in schoolwide programs should be included in the total expenditures of the program contributing the funds when determining Type A and Type B Programs for Single Audit testing selection determination. The *Schedule of Expenditures of Federal Awards* and the *Schedule of Expenditures of State Financial Assistance* must include the total expenditures of the program funds for WSR schools and non-WSR schools. The federal and state resources contributed to WSR should be included in the amounts reported in *Footnote 3* in the *Notes to Schedules of Expenditures of Awards and Financial Assistance* (Exhibit K-5). The OMB Compliance Supplement encourages showing in a footnote, by program, the amounts used in schoolwide programs. See *Footnote 7* in *Notes to Schedules of Expenditures of Awards and Financial Assistance* (Exhibit K-5) for a sample of this footnote.

The *Schedule of Expenditures Allocated by Resource Type – Actual* (Exhibit D-2) is prepared on the modified accrual basis (with the exception of the last state aid payment), where encumbrances are not recorded as expenditures until the year the goods or services are received. The *Budgetary Comparison Schedule - Special Revenue Fund* – (Exhibit E-2) and the Single Audit Schedules (K Schedules) are prepared on a budgetary basis, where encumbrances are recorded as expenditures in the year the purchase order is written. Therefore, the *Schedule of Expenditures Allocated by Resource Type – Actual* must be adjusted for encumbrances (illustrated on the Encumbrance Worksheet) before preparing the *Budgetary Comparison Schedule – Special Revenue Fund* and the Single Audit Schedules. The Encumbrance worksheet is not required to be submitted with the district’s CAFR.

ANYTOWN SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Expenditures Allocated by Resource Type - Actual
for the Fiscal Year Ended June 30, 2003

Districtwide

Resources	Resource Amount (Final Budget)	District- wide Blended % of Total Resources	Total Expenditures Allocated as a % of Total Resources	Total Surplus/ Carryover
General Fund Contribution	\$ 2,110,077		\$ 1,920,383	\$ 189,694
General Fund Reserve for Encumbrances at June 30, 2002	53,734		53,734	-
Other State Resources				
DEPA	960,000			
ECPA	775,000			
DLNA	263,000			
Other State Resources	1,998,000		1,998,000	-
Combined General Fund Contribution & State Resources	4,161,811	71.98%	3,972,117	189,694
Restricted Federal Resources				
Title I, Part A of NCLB: <i>Improving Basic Programs</i>	635,000		601,883	33,117
Title I, Part A of ESEA - June 30, 2002 Deferred Revenue	13,370		13,370	-
	648,370	11.21%	615,253	33,117
Title II of NCLB: <i>Teacher and Principal Training and Recruiting</i>	110,000		106,237	3,763
Title II, Part A of ESEA - June 30, 2002 Deferred Revenue	5,935		5,935	-
	115,935	2.01%	112,172	3,763
Title III, Part A of NCLB: <i>English Language Acquisition</i>	517,785		497,185	20,600
	517,785	8.96%	497,185	20,600
Title IV of NCLB: <i>Safe and Drug-Free Schools and Communities</i>	156,000		147,147	8,853
Title IV, Part A of ESEA - June 30, 2002 Deferred Revenue	3,066		3,066	-
	159,066	2.75%	150,213	8,853
Title VI of NCLB: <i>Innovative Programs</i>	173,000		165,252	7,748
Title VI, Part A of ESEA - June 30, 2002 Deferred Revenue	5,767		5,767	-
	178,767	3.09%	171,019	7,748
Restricted Federal Resources Total	1,619,923	28.02%	1,545,842	74,081
Totals	\$ 5,781,734	100.00%	\$ 5,517,958	\$ 263,776

ANYTOWN SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Expenditures Allocated by Resource Type - Actual
for the Fiscal Year Ended June 30, 2003

School: Lincoln

Resources	Resource Amount	% of Total Resources	Total Expenditures Allocated as a % of Total Resources	Total Surplus/ Carryover
General Fund Contribution to Whole School Reform	\$ 1,182,855		\$ 1,151,297	\$ 31,558
General Fund Reserve for Encumbrances at June 30, 2002	26,829		26,829	-
Other State Resources				
DEPA	425,000			
ECPA	300,000			
DLNA	75,000			
Other State Resources	800,000		800,000	-
Combined General Fund Contribution & State Resources	2,009,684	71.88%	1,978,126	31,558
Restricted Federal Resources				
Title I, Part A of NCLB: <i>Improving Basic Programs</i>	250,000		245,865	4,135
Title I, Part A of ESEA - June 30, 2002 Deferred Revenue	6,492		6,492	-
	256,492	9.17%	252,357	4,135
Title I of NCLB: <i>Program for Neglected and Delinquent Children</i>	75,000		73,846	1,154
Title VI, Part D of ESEA - June 30, 2002 Deferred Revenue	5,411		5,411	-
	80,411	2.88%	79,257	1,154
Title III, Part A of NCLB: <i>English Language Acquisition</i>	303,981		299,141	4,840
	303,981	10.87%	299,141	4,840
Title IV of NCLB: <i>Safe and Drug-Free Schools and Communities</i>	50,000		49,228	772
Title IV, Part A of ESEA - June 30, 2002 Deferred Revenue	1,133		1,133	-
	51,133	1.83%	50,361	772
Title VI of NCLB: <i>Innovative Programs</i>	90,000		88,614	1,386
Title VI, Part A of ESEA - June 30, 2002 Deferred Revenue	4,128		4,128	-
	94,128	3.37%	92,742	1,386
Restricted Federal Resources Total	786,145	28.12%	773,858	12,287
Totals	\$ 2,795,829	100.00%	\$ 2,751,983	\$ 43,846

ANYTOWN SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Expenditures Allocated by Resource Type - Actual
for the Fiscal Year Ended June 30, 2003

School: Washington

Resources	Resource Amount	% of Total Resources	Total Expenditures Allocated as a % of Total Resources	Total Surplus/ Carryover
General Fund Contribution to Whole School Reform	\$ 927,222		\$ 769,086	\$ 158,136
General Fund Reserve for Encumbrances at June 30, 2002	26,905		26,905	-
Other State Resources				
DEPA	535,000			
ECPA	475,000			
DLNA	188,000			
Other State Resources	1,198,000		1,198,000	-
Combined General Fund Contribution & State Resources	2,152,127	72.09%	1,993,991	158,136
Restricted Federal Resources				
Title I, Part A of NCLB: <i>Improving Basic Programs</i>	385,000		356,018	28,982
Title I, Part A of ESEA - June 30, 2002 Deferred Revenue	6,878		6,878	-
	391,878	13.12%	362,896	28,982
Title I of NCLB: <i>Program for Neglected and Delinquent Children</i>	35,000		32,391	2,609
Title VI, Part D of ESEA - June 30, 2002 Deferred Revenue	524		524	-
	35,524	1.19%	32,915	2,609
Title III, Part A of NCLB: <i>English Language Acquisition</i>	213,804		198,044	15,760
	213,804	7.16%	198,044	15,760
Title IV of NCLB: <i>Safe and Drug-Free Schools and Communities</i>	106,000		97,919	8,081
Title IV, Part A of ESEA - June 30, 2002 Deferred Revenue	1,933		1,933	-
	107,933	3.61%	99,852	8,081
Title VI of NCLB: <i>Innovative Programs</i>	83,000		76,638	6,362
Title VI, Part A of ESEA - June 30, 2002 Deferred Revenue	1,639		1,639	-
	84,639	2.83%	78,277	6,362
Restricted Federal Resources Total	833,778	27.91%	771,984	61,794
Totals	\$ 2,985,905	100.00%	\$ 2,765,975	\$ 219,930

GENERAL FUND – COMBINING BALANCE SHEET (EXHIBIT D-1)

The *Combining Balance Sheet* (Exhibit D-1) is an optional report prepared from the district records and is the responsibility of the district. This schedule is included in the Other Supplementary Information section of the CAFR (see OUTLINE OF CAFR). Since fund 15 is a sub-fund of the General Fund, the Combining Balance Sheet presents the combined actual and budget amounts for the general fund to be included on the *Governmental Funds Balance Sheet* (Exhibit B-1). Prior year data is not required in the *Combining Balance Sheet* nor is it included in the *Governmental Funds Balance Sheet*.

This schedule is prepared with Column 1 representing the current year GAAP basis data for the Operating Fund (Fund 11 – 13) and Column 2 representing the current year data for the Blended Resource Fund (Fund 15). The two columns are added together to determine the current year Total General Fund Balance Sheet data, which is presented in Column 3. The adjustment for the last state aid payment which is not recognized as revenue on GAAP statements must be made before this balance sheet can be prepared. Refer to the Audit Program pages I-8.10 – I-10.14 for further discussion on the adjustment for the last state aid payment.

The combined total general fund (Funds 11-13 and Fund 15) amounts from the *Combining Balance Sheet* flow to the General Fund column of the *Governmental Funds Balance Sheet* (Exhibit B-1). A sample of Exhibit B-1 is not included in this document but is available on the DOE Finance/GASB 34 website at <http://www.state.nj.us/njded/finance/fp/gasb34>

COMBINING BUDGETARY COMPARISON SCHEDULE-GENERAL FUND (EXHIBIT C-1a)

Overview

The *Combining Budgetary Comparison Schedule -General Fund* (Exhibit C-1a) is prepared from the district records and is the responsibility of the district. This schedule is to be included in the Required Supplementary Information section of the CAFR (see OUTLINE OF CAFR). Comparative schedules are not required. Sample schedules are available on the DOE Finance/GASB 34 website at <http://www.state.nj.us/njded/finance/fp/gasb34>.

Fund 15 is a sub-fund of the General Fund; therefore, a *Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual* (Exhibit C-1a) must be completed to determine the total general fund budget and actual amounts to be included on the *Budgetary Comparison Schedule – General Fund* (Exhibit C-1).

Preparation

Districts are required to include the following columns for the Operating Fund (Funds 11-13), the Blended Resource Fund (Fund 15), and the Combined Total General Fund (Funds 11-13 plus Fund 15):

- Original Budget (cols 1-3)
- Budget Transfers (cols 4-6)
- Final Budget (cols 7-9)
- Actual (cols 10-12)

Original Budget

Column 1 represents the current year budgeted revenues, expenditures and operating transfers for the Operating Fund (Funds 11 - 13). This information should include prior year encumbrances. Column 2 represents the current year budgeted expenditures and operating transfers, adjusted for prior year encumbrances, in Fund 15. The budget information reported in column 2 is obtained from the current year district-wide *Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual* (Exhibit D-3). Column 3 is the sum of the amounts reported in columns 1 and 2.

Budget Transfers

Column 4 represents the current year approved transfers out of the Operating Fund (Funds 11 - 13). Column 5 represents the current year operating transfers in to Fund 15. Column 6 is the sum of the amounts reported in columns 4 and 5. The transfer amount in each column should agree to the difference between the original and final budget for each column (Fund 11-13, Fund 15, Total).

Final Budget

Columns 7 and 8 present the final approved budget after transfers for the Operating Fund (Funds 11-13) and Fund 15 respectively. Column 9 is the total of the amounts reported in columns 7 and 8. The “final” budget is the original budget adjusted for approved transfers.

Actuals

The last set of columns (actual) is the actual revenues, expenditures and operating transfers for the general fund. The actual amount for the Operating Fund (Fund 11-13) is obtained from the district’s general ledger. The actual amount for Fund 15 is obtained from the Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual - (Exhibit D-3).

Abbott specific lines

Abbott district budgetary comparison schedules include budget lines only applicable to Abbott districts such as Abbott Parity Remedy Aid and Additional Abbott v. Burke State Aid. The general fund contribution to WSR (transfer to fund 15) is reported in Fund 10 as Other Operating Transfers-Out and reported in Fund 15 as Other Financing Sources-In. The transfers between Fund 10 and Fund 15 must equal. The transfer to the special revenue fund for Preschool Expansion Aid is reported as Other Operating Transfers Out. The transfer from the special revenue fund to Fund 15 is also reported under Other Operating Transfers In.

The current year combined information included on this schedule is used to complete the *Budgetary Comparison Schedule* (Exhibit C-1).

ANYTOWN SCHOOL DISTRICT
Combining Budgetary Comparison Schedule
General Fund
for Fiscal Year Ended June 30, 2003

	ORIGINAL BUDGET			BUDGET TRANSFER		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Local Sources:						
Local Tax Levy	\$ 9,350,000	\$ -	\$ 9,350,000	\$ 4,883	\$ -	\$ 4,883
Tuition	1,150,000	-	1,150,000	(2,807)	-	(2,807)
Interest Earned on Capital Reserve Funds	16,750	-	16,750	(1,750)	-	(1,750)
Miscellaneous	285,000	-	285,000	20,000	-	20,000
Total - Local Sources	10,801,750	-	10,801,750	20,326	-	20,326
State Sources:						
Core Curriculum Standards Aid	8,643,264	-	8,643,264	2,124	-	2,124
Transportation Aid	105,892	-	105,892	-	-	-
Special Education Aid	1,092,257	-	1,092,257	-	-	-
Bilingual Education	54,723	-	54,723	-	-	-
Abbott Parity Remedy Aid	96,585	-	96,585	-	-	-
Abbott Preschool Expansion Aid	-	-	-	879,415	-	879,415
Additional Abbott v. Burke State Aid	385,000	-	385,000	-	-	-
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	-	-	-
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	-	-	-
Total State Sources	10,377,721	-	10,377,721	881,539	-	881,539
Federal Sources:						
Impact Aid	-	-	-	-	-	-
Medical Assistance Program	-	-	-	-	-	-
Total - Federal Sources	-	-	-	-	-	-
Total Revenues	21,179,471	-	21,179,471	901,865	-	901,865
EXPENDITURES:						
Current Expense:						
Regular Programs - Instruction						
Preschool/Kindergarten - Salaries of Teachers	\$ 50,000	\$ 22,800	\$ 72,800	\$ 1,659	\$ 434	\$ 2,093
Grades 1-5 - Salaries of Teachers	1,675,585	337,000	2,012,585	5,587	(7,000)	(1,413)
Grades 6-8 - Salaries of Teachers	1,100,000	426,000	1,526,000	(3,987)	5,000	1,013
Grades 9-12 - Salaries of Teachers	2,765,000	400,000	3,165,000	(2,610)	10,000	7,390
Regular Programs - Home Instruction:						
Salaries of Teachers	26,000	-	26,000	-	-	-
Other Salaries for Instruction	-	-	-	-	-	-
Purchased Professional-Educational Services	8,400	-	8,400	-	-	-
Purchased Technical Services	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-	-
General Supplies	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-
Regular Programs - Undistributed Instruction						
Other Salaries for Instruction	55,000	277,500	332,500	(50)	(7,500)	(7,550)
Purchased Professional-Educational Services	-	120,000	120,000	-	10,000	10,000
Purchased Technical Services	-	123,500	123,500	-	1,500	1,500
Other Purchased Services (400-500 series)	250,000	80,000	330,000	1,961	-	1,961
General Supplies	-	20,000	20,000	-	-	-
Textbooks	138,000	24,000	162,000	436	1,000	1,436
Other Objects	-	5,000	5,000	-	-	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	6,067,985	1,835,800	7,903,785	2,996	13,434	16,430

ANYTOWN SCHOOL DISTRICT
Combining Budgetary Comparison Schedule
General Fund
for Fiscal Year Ended June 30, 2003

	FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Local Sources:						
Local Tax Levy	\$ 9,354,883	\$ -	\$ 9,354,883	\$ 9,354,883	\$ -	\$ 9,354,883
Tuition	1,147,193	-	1,147,193	1,260,332	-	1,260,332
Interest Earned on Capital Reserve Funds	15,000	-	15,000	18,356	-	18,356
Miscellaneous	305,000	-	305,000	400,552	-	400,552
Total - Local Sources	10,822,076	-	10,822,076	11,034,123	-	11,034,123
State Sources:						
Core Curriculum Standards Aid	8,645,388	-	8,645,388	8,455,694	-	8,455,694
Transportation Aid	105,892	-	105,892	105,892	-	105,892
Special Education Aid	1,092,257	-	1,092,257	1,092,257	-	1,092,257
Bilingual Education	54,723	-	54,723	54,723	-	54,723
Abbott Parity Remedy Aid	96,585	-	96,585	96,585	-	96,585
Abbott Preschool Expansion Aid	879,415	-	879,415	879,415	-	879,415
Additional Abbott v. Burke State Aid	385,000	-	385,000	385,000	-	385,000
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	270,140	-	270,140
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	717,379	-	717,379
Total State Sources	11,259,260	-	11,259,260	12,057,085	-	12,057,085
Federal Sources:						
Impact Aid	-	-	-	3,000	-	3,000
Medical Assistance Program	-	-	-	7,222	-	7,222
Total - Federal Sources	-	-	-	10,222	-	10,222
Total Revenues	22,081,336	-	22,081,336	23,101,430	-	23,101,430
EXPENDITURES:						
Current Expense:						
Regular Programs - Instruction						
Preschool/Kindergarten - Salaries of Teachers	\$ 51,659	\$ 23,234	\$ 74,893	\$ 51,567	\$ 16,556	\$ 68,123
Grades 1-5 - Salaries of Teachers	1,681,172	330,000	2,011,172	1,681,072	310,000	1,991,072
Grades 6-8 - Salaries of Teachers	1,096,013	431,000	1,527,013	1,095,935	400,000	1,495,935
Grades 9-12 - Salaries of Teachers	2,762,390	410,000	3,172,390	2,762,074	380,000	3,142,074
Regular Programs - Home Instruction:						
Salaries of Teachers	26,000	-	26,000	23,547	-	23,547
Other Salaries for Instruction	-	-	-	-	-	-
Purchased Professional-Educational Services	8,400	-	8,400	7,489	-	7,489
Purchased Technical Services	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-	-
General Supplies	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-
Regular Programs - Undistributed Instruction						
Other Salaries for Instruction	54,950	270,000	324,950	53,940	269,332	323,272
Purchased Professional-Educational Services	-	130,000	130,000	-	129,000	129,000
Purchased Technical Services	-	125,000	125,000	-	124,500	124,500
Other Purchased Services (400-500 series)	251,961	80,000	331,961	215,324	79,500	294,824
General Supplies	-	20,000	20,000	-	18,748	18,748
Textbooks	138,436	25,000	163,436	85,635	22,500	108,135
Other Objects	-	5,000	5,000	-	4,500	4,500
TOTAL REGULAR PROGRAMS - INSTRUCTION	6,070,981	1,849,234	7,920,215	5,976,583	1,754,636	7,731,219

ANYTOWN SCHOOL DISTRICT
Combining Budgetary Comparison Schedule
General Fund
for Fiscal Year Ended June 30, 2003

	ORIGINAL BUDGET			BUDGET TRANSFER		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Transfer of Funds to Charter Schools	50,000	-	50,000	-	-	-
TOTAL EXPENDITURES	18,884,123	5,884,610	24,768,733	(65,054)	(102,876)	(167,930)
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	2,295,348	(5,884,610)	(3,589,262)	966,919	102,876	1,069,795
Other Financing Sources:						
Operating Transfer In:						
Contribution to Whole School Reform - General Fund	-	2,266,687	2,266,687	-	(102,876)	(102,876)
Contribution to Whole School Reform - Special Revenue Fund		3,617,923	3,617,923	-	-	-
Operating Transfers Out:						
Transfer to Special Revenue Fund -Preschool Programs	-	-	-	-	-	-
Transfer to Food Service Fund - Board Contribution	(35,000)	-	(35,000)	-	-	-
Transfer to Internal Service Fund - Board Contribution	(50,000)	-	(50,000)	-	-	-
Contribution to Whole School Reform	(2,266,687)	-	(2,266,687)	102,876	-	102,876
Capital Reserve - Transfer to Capital Project Fd	-	-	-	-	-	-
Capital Reserve - Transfer to Debt Service Fd	-	-	-	-	-	-
Capital Leases (non-budgeted)	-	-	-	-	-	-
Total Other Financing Sources:	(2,351,687)	5,884,610	3,532,923	(776,539)	(102,876)	-
Excess (Deficiency) of Revenues and Other Financing Sources						
Over (Under) Expenditures and Other Financing Sources (Uses)	(56,339)	-	(56,339)	190,380	-	1,069,795
Fund Balance, July 1	1,197,997	-	1,197,997	-	-	-
Fund Balance, June 30	\$ 1,141,658	\$ -	\$ 1,141,658	\$ 190,380	\$ -	\$ 190,380

ANYTOWN SCHOOL DISTRICT
Combining Budgetary Comparison Schedule
General Fund
for Fiscal Year Ended June 30, 2003

	FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Transfer of Funds to Charter Schools	50,000	-	50,000	50,000	-	50,000
TOTAL EXPENDITURES	<u>18,819,069</u>	<u>5,781,734</u>	<u>24,600,803</u>	<u>18,691,706</u>	<u>5,517,958</u>	<u>24,209,664</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>3,262,267</u>	<u>(5,781,734)</u>	<u>(2,519,467)</u>	<u>4,409,724</u>	<u>(5,517,958)</u>	<u>(1,108,234)</u>
Other Financing Sources:						
Operating Transfer In:						
Contribution to Whole School Reform - General Fund	-	2,163,811	2,163,811	-	1,974,117	1,974,117
Contribution to Whole School Reform - Special Revenue Fund		3,617,923	3,617,923	-	3,543,841	3,543,841
Operating Transfers Out:						
Transfer to Special Revenue Fund -Preschool Programs	(879,415)	-	(879,415)	(879,415)	-	(879,415)
Transfer to Food Service Fund - Board Contribution	(35,000)	-	(35,000)	(30,000)	-	(30,000)
Transfer to Internal Service Fund - Board Contribution	(50,000)	-	(50,000)	(50,000)	-	(50,000)
Contribution to Whole School Reform	(2,163,811)	-	(2,163,811)	(1,974,117)	-	(1,974,117)
Capital Reserve - Transfer to Capital Project Fd	-	-	-	-	-	-
Capital Reserve - Transfer to Debt Service Fd	-	-	-	-	-	-
Capital Leases (non-budgeted)		-	-	33,283	-	33,283
Total Other Financing Sources:	<u>(3,128,226)</u>	<u>5,781,734</u>	<u>2,653,508</u>	<u>(2,900,249)</u>	<u>5,517,958</u>	<u>2,617,709</u>
Excess (Deficiency) of Revenues and Other Financing Sources						
Over (Under) Expenditures and Other Financing Sources (Uses)	134,041	-	134,041	1,509,475	-	1,509,475
Fund Balance, July 1	<u>1,197,997</u>	<u>-</u>	<u>1,197,997</u>	<u>1,197,997</u>	<u>-</u>	<u>1,197,997</u>
Fund Balance, June 30	<u>\$ 1,332,038</u>	<u>\$ -</u>	<u>\$ 1,332,038</u>	<u>\$ 2,707,472</u>	<u>\$ -</u>	<u>\$ 2,707,472</u>

SELECTED SCHEDULE/STATEMENT INSTRUCTIONS

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (EXHIBIT C-1)

The *Budgetary Comparison Schedule - General Fund* (Exhibit C-1) is prepared from the district records and is the responsibility of the district. This schedule is to be included in the Required Supplementary Information section of the CAFR (see OUTLINE OF CAFR).

The amounts reported on this schedule are the combined general fund amounts reported on the *Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual* (Exhibit C-1a: Column 3 for original budget, Column 6 for transfers, Column 9 for final budget, Column 12 for actual).

Comparative schedules are not required. Sample schedules are available on the DOE Finance/GASB 34 website at <http://www.state.nj.us/njded/finance/fp/gasb34>. Districts are required to include the following columns for the Combined Total General Fund (Funds 11-13 plus Fund 15):

- Original Budget
- Budget Transfers
- Final Budget
- Actual
- Variance Positive (Negative) Final to Actual

Abbott district budgetary comparisons may include revenue and expenditure lines such as Abbott Parity Remedy Aid and Additional Abbott v. Burke State Aid which are applicable only to those districts. This schedule for the general fund will include budget lines for the operating transfer in from the Special Revenue Fund. The Contribution to Whole School Reform operating transfer from the Operating Fund (Fund 11-13) to the Fund 15 reported on the *Combining Budgetary Comparison Schedule* (Exhibit C-1a) is eliminated since the two components of the general fund are combined. The transfer to the special revenue fund for Preschool Expansion Aid is reported as Other Operating Transfers Out. The transfer from the Special Revenue Fund is also reported under Other Operating Transfers In.

The ending Fund Balance as presented on this *Budgetary Comparison Schedule* is used in the Excess Surplus Calculation. (See section in this Addendum on Excess Surplus Calculation for further discussion). At the end of the *Budgetary Comparison Schedule* the district should present a Recapitulation of Balances and Reconciliation to the Fund Balance per the GAAP statements. See the sample schedule following this page.

ANYTOWN SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2003

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 9,350,000	\$ 4,883	\$ 9,354,883	\$ 9,354,883	\$ -
Tuition	1,150,000	(2,807)	1,147,193	1,260,332	113,139
Interest Earned on Capital Reserve Funds	16,750	(1,750)	15,000	18,356	3,356
Miscellaneous	285,000	20,000	305,000	400,552	95,552
Total - Local Sources	10,801,750	20,326	10,822,076	11,034,123	212,047
State Sources:					
Core Curriculum Standards Aid	8,643,264	2,124	8,645,388	8,455,694	(189,694)
Transportation Aid	105,892	-	105,892	105,892	-
Special Education Aid	1,092,257	-	1,092,257	1,092,257	-
Bilingual Education	54,723	-	54,723	54,723	-
Abbott Parity Remedy Aid	96,585	-	96,585	96,585	-
Abbott Preschool Expansion Aid	-	879,415	879,415	879,415	-
Additional Abbott v. Burke State Aid	385,000	-	385,000	385,000	-
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	270,140	270,140
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	717,379	717,379
Total State Sources	10,377,721	881,539	11,259,260	12,057,085	797,825
Federal Sources:					
Impact Aid	-	-	-	3,000	3,000
Medical Assistance Program	-	-	-	7,222	7,222
Total - Federal Sources	-	-	-	10,222	10,222
Total Revenues	21,179,471	901,865	22,081,336	23,101,430	1,020,094
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	\$ 72,800	\$ 2,093	\$ 74,893	\$ 68,123	\$ 6,770
Grades 1-5 - Salaries of Teachers	2,012,585	(1,413)	2,011,172	1,991,072	20,100
Grades 6-8 - Salaries of Teachers	1,526,000	1,013	1,527,013	1,495,935	31,078
Grades 9-12 - Salaries of Teachers	3,165,000	7,390	3,172,390	3,142,074	30,316
Regular Programs - Home Instruction:					
Salaries of Teachers	26,000	-	26,000	23,547	2,453
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	8,400	-	8,400	7,489	911
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	332,500	(7,550)	324,950	323,272	1,678
Purchased Professional-Educational Services	120,000	10,000	130,000	129,000	1,000
Purchased Technical Services	123,500	1,500	125,000	124,500	500
Other Purchased Services (400-500 series)	330,000	1,961	331,961	294,824	37,137
General Supplies	20,000	-	20,000	18,748	1,252
Textbooks	162,000	1,436	163,436	108,135	55,301
Other Objects	5,000	-	5,000	4,500	500
TOTAL REGULAR PROGRAMS - INSTRUCTION	7,903,785	16,430	7,920,215	7,731,219	188,996

ANYTOWN SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2003

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
Transfer of Funds to Charter Schools	50,000	-	50,000	50,000	-
TOTAL EXPENDITURES	<u>24,768,733</u>	<u>(167,930)</u>	<u>24,600,803</u>	<u>24,209,664</u>	<u>391,139</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,589,262)</u>	<u>1,069,795</u>	<u>(2,519,467)</u>	<u>(1,108,234)</u>	<u>1,411,233</u>
Other Financing Sources:					
Operating Transfer In:					
Contribution to Whole School Reform	3,617,923	-	3,617,923	3,543,841	(74,082)
Operating Transfer Out:					
Transfer to Special Revenue Fund-Preschool Programs	-	(879,415)	(879,415)	(879,415)	-
Transfer to Food Service Fund	(35,000)	-	(35,000)	(30,000)	5,000
Transfer to Internal Service Fund	(50,000)	-	(50,000)	(50,000)	-
Capital Reserve - Transfer to Debt Service Fd	-	-	-	-	-
Capital Reserve - Transfer to Capital Projects Fd	-	-	-	-	-
Capital Leases (non-budgeted)	-	-	-	33,283	(33,283)
Total Other Financing Sources:	<u>3,532,923</u>	<u>(879,415)</u>	<u>2,653,508</u>	<u>2,617,709</u>	<u>(102,365)</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	(56,339)	190,380	134,041	1,509,475	1,308,868
Fund Balance, July 1	1,197,997	-	1,197,997	1,197,997	-
Fund Balance, June 30	<u>\$ 1,141,658</u>	<u>\$ 190,380</u>	<u>\$ 1,332,038</u>	<u>\$ 2,707,472</u>	<u>\$ 1,308,868</u>
Recapitulation:					
Reserve for Encumbrances				156,034	
Legally Restricted -Designated for Subsequent Year's Expenditures				8,463	
Reserve for Excess Surplus				1,738,373	
Maintenance Reserve				2,910	
Capital Reserve				365,832	
Unrestricted Fund Balance				<u>435,860</u>	
				2,707,472	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(553,478)	
Fund Balance per Governmental Funds (GAAP)				<u>2,153,994</u>	

BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND (EXHIBIT C-2)
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES – BUDGETARY BASIS
(EXHIBIT E-1)
ENCUMBRANCES WORKSHEET

The *Budgetary Comparison Schedule – Special Revenue Fund* (Exhibit C-2) is prepared from the district records and is the responsibility of the district. This schedule is to be included in the Required Supplementary Information section of the CAFR (see OUTLINE OF CAFR).

Comparative schedules are not required. Sample schedules are available on the DOE Finance/GASB 34 website at <http://www.state.nj.us/njded/finance/fp/gasb34>. Districts are required to include the following columns for the Combined Total Special Revenue Fund (Fund 20):

- Original Budget
- Budget Transfers
- Final Budget
- Actual
- Variance Favorable (Unfavorable)/ Final to Actual

The Original Budget column represents the total of the various special revenue fund original grant and state aid/grant budgets (budgetary basis). The Final Budget represents the total of the final approved grant budgets plus the final state aid/grant approved budgets. The Actual amounts reported on this schedule are the combined special revenue fund amounts and are obtained from and should agree to the *Combining Schedule of Revenues, Expenditures– Budget and Actual* (Exhibit E-1: Totals column).

The line entitled Transfer Out to WSR (General Fund) is reflected as “Other Financing Sources” following the total facilities acquisition and construction services and “transfer” to charter schools. The amount is obtained from the *Combining Schedule of Revenues, Expenditures– Budget and Actual* (Exhibit E-1: Totals column). The amounts on that combining schedule (E-1) are on a budgetary basis and are calculated for each program as follows:

- 1) Complete the *Blended Resource Fund –Schedule of Expenditures Allocated by Resource Type – Actual* (Exhibit D-2) – see page 17 of this Addendum. This schedule allocates total Fund 15 GAAP expenditures to surplus/carryover based on the percentage of those resources to the total resources available for fund 15.
- 2) Complete the Encumbrances Worksheet using the resource percentages and the GAAP expenditure amounts obtained from the calculation above (Exhibit D-2) and the prior and current year encumbrances. This worksheet is necessary to convert GAAP expenditures to budgetary basis expenditures since special revenue fund schedules (i.e., Exhibits C-2, E-1) are reported on the budgetary basis where encumbrances are recorded as expenditures in the year the purchase order is issued.
 - Use the general fund and special revenue fund amounts for DEPA, ECPA and DLNA in total.
 - Use each of the federal expenditure amounts from the D-2.
- 3) Report the calculated federal budgetary expenditures from the completed Encumbrance Worksheet and carry them to the Contribution to WSR line for each program on the *Combining Schedule of Revenues, Expenditures– Budget and Actual* (Exhibit E-1)
- 4) The amounts reported on the Contribution to WSR line for DEPA, ECPA and DLNA on the Combining Schedule are obtained from the applicable district-wide budgetary basis restricted aid schedule (Exhibit E-2, E-3 or E-4).

- 5) The total Contribution to WSR on the Combining Schedule is carried over to the *Budgetary Comparison Schedule – Special Revenue Fund* (Exhibit C-2) for the actual column, Transfer Out to Whole School Reform (General Fund).

Overview on encumbrance allocation

Encumbrances must be allocated to the various funding sources, at the school level, using the same methodology that was used to allocate GAAP basis expenditures (see section on Exhibit D-2). Encumbrances are not allocated to restricted state funding sources because the total state contribution to WSR is considered fully spent in Fund 20 when the funds are contributed to Fund 15. At that point, the funds are considered general funds available for WSR in accordance with *N.J.A.C 6A:24-4.4(a)4*. The encumbrance allocations are performed on a school level using the “% of Total Resources” calculated for each school on the Exhibit D-2 series. Encumbrances are recorded as deferred revenue (similar to Fund 20) in the Fund 15 column of the Combining Balance Sheet (Exhibit D-1) (optional inclusion in the CAFR).

Once the school-level encumbrance allocations are performed, the individual funding type encumbrances from each school are added together to determine the district-wide encumbrances by funding type. The district-wide encumbrances by funding type are then added to the applicable district-wide GAAP WSR expenditures and prior year district-wide encumbrances by funding type are subtracted to determine the WSR budgetary basis expenditures to include on the line entitled, Contributions to WSR on the *Combining Schedule of Revenues and Expenditures, Special Revenue Fund - – Budgetary Basis* (Exhibit E-1).

The Worksheet of Reserve for Encumbrances Allocated by Resource Type (Encumbrances Worksheet) has been included in this document to illustrate the calculations of the budgetary basis amount reported as Contribution to WSR based on the combined (General and Special Revenue Fund) state funding and each of the federal resources. This worksheet should not be included in the CAFR.

The sample encumbrance calculation includes an allocation of encumbrances to the Combined General Fund Contribution and State Resources. This was done to illustrate how the total encumbrances are allocated based on the “% of Total Resources”.

The encumbrances allocated to the Combined General Fund Contribution and State Resources will be included in the CAFR in Fund 15 as deferred revenue on the Balance Sheet. Encumbrances are not reported as expenditures in Fund 15.

**Anytown School District
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2003**

	Original Budget	Budget Transfers	Final Budget	Actual
REVENUES:				
Local Sources	\$ -	\$ -	\$ -	\$ -
State Sources	6,381,185	(47,162)	6,334,023	6,197,988
Federal Sources	1,780,540	(3,000)	1,777,540	1,785,540
Total Revenues	8,161,725	(50,162)	8,111,563	7,983,528
EXPENDITURES:				
Instruction				
Salaries of Teachers	2,194,000	(25,000)	2,169,000	2,113,535
Other Salaries for Instruction	290,000	(20,000)	270,000	268,038
Purchased Professional -Educational Services	115,000	5,000	120,000	119,399
Purchased Professional and Technical Services	10,000	5,000	15,000	13,646
Tuition	-	-	-	-
Other Purchased Services (400-500 series)	715,000	(23,000)	692,000	690,705
General Supplies	320,000	5,000	325,000	322,643
Textbooks	95,000	5,000	100,000	95,299
Other Objects	115,400	-	115,400	114,917
Total Instruction	3,854,400	(48,000)	3,806,400	3,738,182
Support Services				
Salaries of Supervisor of Instruction	-	-	-	-
Salaries of Program Directors	-	-	-	-
Salaries of Other Professional Staff	65,000	-	65,000	64,956
Salaries of Secretaries & Clerical Assistants	-	-	-	-
Other Salaries	34,000	-	34,000	3,500
Personal Services - Employee Benefits	310,000	-	310,000	308,162
Purchased Educational Services - Contracted Pre-K	61,928	(5,000)	56,928	55,689
Purchased Professional - Educational Services	13,072	-	13,072	13,072
Other Purchased Professional Services	75,000	(5,000)	70,000	65,895
Purchased Technical Services	5,500	-	5,500	3,190
Rentals	3,500	-	3,500	1,000
Contr. Serv.-Trans. (Bet. Home & Sch.)	-	-	-	-
Contr. Serv.-Trans. (Wrap Around Services)	-	-	-	-
Contr. Serv.-Trans. (Field Trips)	-	-	-	-
Tuition	-	-	-	-
Travel	4,500	-	4,500	1,375
Other purchased Services (400-500 series)	70,000	10,000	80,000	75,895
Supplies & Materials	45,200	(3,162)	42,038	36,034
Other Objects	-	-	-	-
Total Support Services	687,700	(3,162)	684,538	628,768

**Anytown School District
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2003**

	Original Budget	Budget Transfers	Final Budget	Actual
EXPENDITURES (CONT'D.)				
Facilities Acquisition and Construction Services:				
Buildings	150,000	-	150,000	150,000
Instructional Equipment	305,000	-	305,000	302,403
Noninstructional Equipment	101,000	1,000	102,000	100,550
Total Facilities Acquisition and Construction Services	<u>556,000</u>	<u>1,000</u>	<u>557,000</u>	<u>552,953</u>
Transfer to Charter School	<u>395,500</u>	<u>-</u>	<u>395,500</u>	<u>395,500</u>
Total Expenditures	<u>5,493,600</u>	<u>(50,162)</u>	<u>5,443,438</u>	<u>5,315,403</u>
Other Financing Sources (Uses)				
Transfer in from General Fund	879,415	-	879,415	879,415
Transfer Out to Whole School Reform (General Fund)	(3,547,540)	-	(3,547,540)	(3,547,540)
Total Other Financing Sources (Uses)	<u>(2,668,125)</u>	<u>-</u>	<u>(2,668,125)</u>	<u>(2,668,125)</u>
Total Outflows	<u>8,161,725</u>	<u>(50,162)</u>	<u>8,111,563</u>	<u>7,983,528</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Anytown School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2003

	Total Brought Forward (Ex. E-1a)	Title 1 Part A		I.D.E.A. Part B		Title 1, Part D Prog. For Neglected & Delinquent	Totals 2003
		2002-2003	Carryover	2002-2003	Carryover		
REVENUES							
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	6,197,986	-	-	-	-	-	6,197,986
Federal Sources	932,663	654,597	12,000	73,000	5,000	108,280	1,785,540
Total Revenues	7,130,649	654,597	12,000	73,000	5,000	108,280	7,983,526
EXPENDITURES:							
Instruction:							
Salaries of Teachers	1,916,747	16,047	12,000	55,461	5,000	108,280	2,113,535
Other Salaries for Instruction	266,405	1,633	-	-	-	-	268,038
Purchased Professional - Educational Services	118,071	1,326	-	-	-	-	119,397
Purchased Professional and Technical Services	1,800	1,583	-	10,263	-	-	13,646
Other Purchased Services (400-500 series)	690,705	-	-	-	-	-	690,705
General Supplies	319,583	1,216	-	1,844	-	-	322,643
Textbooks	95,299	-	-	-	-	-	95,299
Other Objects	114,917	-	-	-	-	-	114,917
Total instruction	3,523,527	21,805	12,000	67,568	5,000	108,280	3,738,180
Support services:							
Salaries of Other Professional Staff	59,322	5,634	-	-	-	-	64,956
Other Salaries	3,500	-	-	-	-	-	3,500
Personal Services - Employee Benefits	292,449	10,281	-	5,432	-	-	308,162
Purchased Educational Services - Contracted Pre-K	55,689	-	-	-	-	-	55,689
Purchased Professional - Educational Services	13,072	-	-	-	-	-	13,072
Other Purchased Professional Services	65,895	-	-	-	-	-	65,895
Purchased Technical Services	3,190	-	-	-	-	-	3,190
Rentals	-	-	-	-	-	-	-
Contr. Serv.-Trans. (Bet. Home & Sch.)	-	-	-	-	-	-	-
Contr. Serv.-Trans. (Wrap Around Services)	-	-	-	-	-	-	-
Contr. Serv.-Trans. (Field Trips)	1,000	-	-	-	-	-	1,000
Travel	1,375	-	-	-	-	-	1,375
Other Purchased Services (400-500 series)	75,895	-	-	-	-	-	75,895
Supplies & Materials	36,034	-	-	-	-	-	36,034
Other Objects	-	-	-	-	-	-	-
Total support services	607,421	15,915	-	5,432	-	-	628,768

Anytown School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2003

	Total Brought Forward (Ex. E-1a)	Title 1 Part A		I.D.E.A. Part B		Title 1, Part D Prog. For Neglected & Delinquent	Totals 2003
		2002-2003	Carryover	2002-2003	Carryover		
EXPENDITURES (CONT'D):							
Facilities acquisition and const. serv.:							
Buildings	150,000	-	-	-	-	-	150,000
Instructional Equipment	302,403	-	-	-	-	-	302,403
Noninstructional Equipment	100,550	-	-	-	-	-	100,550
Total facilities acquisition and const. serv.	552,953	-	-	-	-	-	552,953
Transfer to Charter Schools	395,500	-		-	-		395,500
Total Expenditures	5,079,401	37,720	12,000	73,000	5,000	108,280	5,315,401
Other Financing Sources (Uses)							
Transfer In from General Fund	879,415					-	879,415
Contribution to Whole School Reform	(2,930,663)	(616,877)	-	-	-	-	(3,547,540)
	(2,051,248)	(616,877)	-	-	-	-	(2,668,125)
Total Outflows	7,130,649	654,597	12,000	73,000	5,000	108,280	7,983,526
Excess (Deficiency) of Revenues Over (Under)							
Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Anytown School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2003

	Total Brought Forward (Ex. E-1b)	Title II, Part A Teacher & Principal Training & Recruiting	Title III, Part A English Language Acquisition	Title IV Safe & Drug Free Schools and Communities	Title V, Part A Innovative Program	Totals 2003
REVENUES						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	6,197,986	-	-	-	-	6,197,986
Federal Sources	-	108,280	503,896	149,476	171,011	932,663
Total Revenues	6,197,986	108,280	503,896	149,476	171,011	7,130,649
EXPENDITURES:						
Instruction:						
Salaries of Teachers	1,916,747	-	-	-	-	1,916,747
Other Salaries for Instruction	266,405	-	-	-	-	266,405
Purchased Professional - Educational Services	118,071	-	-	-	-	118,071
Purchased Professional and Technical Services	1,800	-	-	-	-	1,800
Other Purchased Services (400-500 series)	690,705	-	-	-	-	690,705
General Supplies	319,583	-	-	-	-	319,583
Textbooks	95,299	-	-	-	-	95,299
Other Objects	114,917	-	-	-	-	114,917
Total instruction	3,523,527	-	-	-	-	3,523,527
Support services:						
Salaries of Other Professional Staff	59,322	-	-	-	-	59,322
Other Salaries	3,500	-	-	-	-	3,500
Personal Services - Employee Benefits	292,449	-	-	-	-	292,449
Purchased Educational Services - Contracted Pre-K	55,689	-	-	-	-	55,689
Purchased Professional - Educational Services	13,072	-	-	-	-	13,072
Other Purchased Professional Services	65,895	-	-	-	-	65,895
Purchased Technical Services	3,190	-	-	-	-	3,190
Rentals	1,000	-	-	-	-	1,000
Contr. Serv.-Trans. (Bet. Home & Sch.)	-	-	-	-	-	-
Contr. Serv.-Trans. (Wrap Around Services)	-	-	-	-	-	-
Contr. Serv.-Trans. (Field Trips)	-	-	-	-	-	-
Travel	1,375	-	-	-	-	1,375
Other Purchased Services (400-500 series)	75,895	-	-	-	-	75,895
Supplies & Materials	36,034	-	-	-	-	36,034
Other Objects	-	-	-	-	-	-
Total support services	607,421	-	-	-	-	607,421

continued

Anytown School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2003

	Total Brought Forward (Ex. E-1b)	Title II, Part A Teacher & Principal Training & Recruiting	Title III, Part A English Language Acquisition	Title IV Safe & Drug Free Schools and Communities	Title V, Part A Innovative Program	Totals 2003
EXPENDITURES (CONT'D):						
Facilities acquisition and const. serv.:						
Buildings	150,000	-	-	-	-	150,000
Instructional Equipment	302,403	-	-	-	-	302,403
Noninstructional Equipment	100,550	-	-	-	-	100,550
Total facilities acquisition and const. serv.	552,953	-	-	-	-	552,953
Transfer to Charter Schools	395,500	-	-			395,500
Total Expenditures	5,079,401	-	-	-	-	5,079,401
Other Financing Sources						
Transfer in from General Fund	879,415	-		-	-	879,415
Contribution to Whole School Reform	(1,998,000)	(108,280)	(503,896)	(149,476)	(171,011)	(2,930,663)
	(1,118,585)	(108,280)	(503,896)	(149,476)	(171,011)	(2,051,248)
Total Outflows	6,197,986	108,280	503,896	149,476	171,011	7,130,649
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Anytown School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2003

	Total Brought Forward (Ex. E-1c)	Demonstrably Effective Program Aid	Early Childhood Program Aid	Distance Learning Network Aid	Instructional Supplement Aid	Total Carried Forward
REVENUES						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	139,070	3,195,262	1,740,996	642,820	479,838	6,197,986
Federal Sources	-	-	-	-	-	-
Total Revenues	139,070	3,195,262	1,740,996	642,820	479,838	6,197,986
EXPENDITURES						
Instruction:						
Salaries of Teachers	-	1,118,479	798,268	-	-	1,916,747
Other Salaries for Instruction	-	14,040	252,365	-	-	266,405
Purchased Professional - Educational Services	118,071	-	-	-	-	118,071
Purchased Professional and Technical Services	-	1,800	-	-	-	1,800
Other Purchased Services (400-500 series)	-	60,007	315,000	-	315,698	690,705
General Supplies	-	136,838	107,500	-	75,245	319,583
Textbooks	20,999	74,300	-	-	-	95,299
Other Objects	-	114,917	-	-	-	114,917
Total instruction	139,070	1,520,381	1,473,133	-	390,943	3,523,527
Support services:						
Salaries of Other Professional Staff	-	44,445	-	14,877	-	59,322
Other Salaries	-	3,500	-	-	-	3,500
Personal Services - Employee Benefits	-	150,860	141,589	-	-	292,449
Purchased Educational Services - Contracted Pre-K	-	-	55,689	-	-	55,689
Purchased Professional - Educational Services	-	13,072	-	-	-	13,072
Other Purchased Professional Services	-	-	-	-	65,895	65,895
Purchased Technical Services	-	3,190	-	-	-	3,190
Rentals	-	1,000	-	-	-	1,000
Contr. Serv.-Trans. (Bet. Home & Sch.)	-	-	-	-	-	-
Contr. Serv.-Trans. (Wrap Around Services)	-	-	-	-	-	-
Contr. Serv.-Trans. (Field Trips)	-	-	-	-	-	-
Travel	-	1,375	-	-	-	1,375
Other Purchased Services (400-500 series)	-	-	-	75,895	-	75,895
Supplies & Materials	-	14,486	-	21,548	-	36,034
Other Objects	-	-	-	-	-	-
Total support services	-	231,928	197,278	112,320	65,895	607,421

continued

Anytown School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2003

	Total Brought Forward (Ex. E-1c)	Demonstrably Effective Program Aid	Early Childhood Program Aid	Distance Learning Network Aid	Instructional Supplement Aid	Total Carried Forward
EXPENDITURES (CONT'D):						
Facilities acquisition and const. serv.:						
Building	-	-	-	150,000	-	150,000
Instructional Equipment	-	302,403	-	-	-	302,403
Noninstructional Equipment	-	550	-	100,000	-	100,550
Total facilities acquisition and const. serv.	-	302,953	-	250,000	-	552,953
Transfer to Charter Schools	-	180,000	175,000	17,500	23,000	395,500
Total Expenditures	139,070	2,235,262	1,845,411	379,820	479,838	5,079,401
Other Financing Sources (Uses)						
Transfer in from General Fund	-	-	879,415			879,415
Contribution to Whole School Reform	-	(960,000)	(775,000)	(263,000)	-	(1,998,000)
	-	(960,000)	104,415	(263,000)	-	(1,118,585)
Total Outflows	139,070	3,195,262	1,740,996	642,820	479,838	6,197,986
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Anytown School District
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis (Cont'd.)
For the Fiscal Year Ended June 30, 2003

	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Auxiliary Services Ch. 192, English as a Second Language	N.J. Nonpublic Handicapped Services Ch. 193 Supplemental Instruction	Examination & Classification	Corrective Speech	Total Carried Forward
REVENUES						
State Sources	\$ 20,999	\$ 3,100	\$ 6,824	\$ 68,647	\$ 39,500	\$ 139,070
Total Revenues	20,999	3,100	6,824	68,647	39,500	139,070
EXPENDITURES						
Instruction:						
Purchased Professional - Educational Services	-	3,100	6,824	68,647	39,500	118,071
Textbooks	20,999					20,999
Total instruction	20,999	3,100	6,824	68,647	39,500	139,070
Total Expenditures	20,999	3,100	6,824	68,647	39,500	139,070
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**ANYTOWN SCHOOL DISTRICT
Blended Resource Fund 15**

Worksheet of Reserve for Encumbrances Allocated by Resource Type for Goods or Services Received after June 30, 2003

Current Year Encumbrance Calculations by Function/Object Code

	<u>Lincoln</u>		<u>Washington</u>		<u>Districtwide</u>	
	Total	Encumbrances Allocated to Restricted Resources	Total	Encumbrances Allocated to Restricted Resources	Total	Encumbrances Allocated to Restricted Resources
	<u>Encumbrances</u>		<u>Encumbrances</u>		<u>Encumbrances</u>	
Purchased Professional Services	25,639	7,210			25,639	7,210
Other Purchased Services			35,000	9,769	35,000	9,769
General Supplies	13,695	3,851			13,695	3,851
Other Purchased Professional Services	10,000	2,812	15,698	4,381	25,698	7,193
Total	<u>49,334</u>	<u>13,873</u>	<u>50,698</u>	<u>14,150</u>	<u>100,032</u>	<u>28,023</u>

Current Year Encumbrance Calculations by Resource Type

	<u>Lincoln</u>		<u>Washington</u>		Add: Districtwide Encumbrances <u>Totals</u>	Less: Prior Year Encumbrances	Add: District-wide GAAP Expenditures <u>From D-2</u>	Equals District-wide Budgetary Expenditures
	<u>From D-2</u>		<u>From D-2</u>					
Combined General Fund Contribution & State Resources	71.88%	35,461	72.09%	36,548	72,009	53,734	3,972,117	3,990,392
Restricted Federal Resources								
Title I, Part A of NCLB: <i>Improving Basic Program s</i>	9.17%	4,524	13.12%	6,652	11,176	9,552	615,253	616,877
Title II of NCLB: <i>Teacher and Principal Training and Recruiting</i>	2.88%	1,421	1.19%	603	2,024	5,915	112,172	108,281
Title III, Part A, of NCLB: <i>English Language Acquisition</i>	10.87%	5,363	7.16%	3,630	8,993	2,282	497,185	503,896
Title IV of NCLB: <i>Safe and Drug-Free Schools and Communities</i>	1.83%	903	3.61%	1,830	2,733	3,470	150,213	149,476
Title V of NCLB: <i>Innovative Programs</i>	3.37%	1,663	2.83%	1,435	3,098	3,105	171,018	171,011
Restricted Federal Resources Total	<u>28.12%</u>	<u>13,874</u>	<u>27.91%</u>	<u>14,150</u>	<u>28,024</u>	<u>24,324</u>	<u>1,545,841</u>	<u>1,549,541</u>
Totals	<u>100.00%</u>	<u>49,335</u>	<u>100.00%</u>	<u>50,698</u>	<u>100,033</u>	<u>78,058</u>	<u>5,517,958</u>	<u>5,539,933</u>

SELECTED BASIC FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS – BALANCE SHEET (EXHIBIT B-1)

The *Governmental Funds Balance Sheet* (Exhibit B-1) is prepared from the district records and is the responsibility of the district. This schedule is to be included in the Basic Financial Statements section of the CAFR (see OUTLINE OF CAFR included in this document). Sample GASB 34 statements are available on the DOE Finance/GASB 34 website at <http://www.state.nj.us/njded/finance/fp/gasb34>.

The amounts reported on this statement are the combined general fund amounts reported on the *Combining Balance Sheet* (Exhibit D-1), if presented.

The *Governmental Funds Balance Sheet* contains a column for each governmental fund. The columns included in this statement are:

- General Fund
- Special Revenue Fund
- Capital Projects Fund
- Debt Service Fund
- Permanent Fund
- Total Governmental Funds

The *Governmental Funds Balance Sheet* should include a reconciliation of total governmental funds fund balance to the net assets of governmental activities included in the *Statement of Net Assets (A-1)*. Adjustments to convert the amounts on the *Governmental Funds Balance Sheet* to the accrual method of accounting and to eliminate interfund balances are necessary.

The fund balance used for the excess surplus calculation is taken from the *Budgetary Comparison Schedule* (Exhibit C-1), not from the Balance Sheet discussed on this page.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES–
(EXHIBIT B-2)**

The information included in this statement (Exhibit B-2) is obtained from the various governmental fund type detailed schedules within the CAFR. Abbott districts will include the lines for Transfer – Contribution to Whole School Reform for the transfer from the special revenue fund to fund 15.

The Special Revenue Fund data included on this statement is reported on a GAAP basis, whereas the data included in the Special Revenue Fund schedules is reported on the budgetary basis. Encumbrances are reported as expenditures on the budgetary basis, but not on the GAAP basis. Therefore, districts which use the GASB 34 financial statement model will provide a reconciliation of budgetary basis expenditures as reported in the *Budgetary Comparison Schedule - General Fund* and the *Budgetary Comparison - Special Revenue Fund* (Exhibit C-1 and C-2) to GAAP Basis Expenditures. The revenue difference due to the last state aid payment (which is not recognized for GAAP basis statements) will be reported as a reconciling item for both the special revenue and general fund. Refer to the Audit Program, pages I-8.10 through I-8.14 for further discussion on the adjustment for the last state aid payment and to the next page of this Addendum and to the Audit Program pages III-3.4 through III-3.10 for information on the reconciliation and the related disclosures. The reconciliation is presented in the *Budget to GAAP Reconciliation* (Exhibit C-3) in the Notes to Required Supplementary Information. The reconciliation was previously included in Footnote 1(D) in the *Notes to Financial Statements*. This Abbott district reconciliation will be similar to all districts with the additional inclusion of lines for the operating transfers related to WSR.

The Operating Transfer In to the General Fund and the Operating Transfer Out of the Special Revenue Fund represent the total of the Blended Resource Fund (Fund 15) expenditures paid from general fund contribution of federal and state restricted sources, respectively. These amounts are obtained from the Fund 15 district-wide summary of the Blended Resource Fund -Schedule of Expenditures Allocated by Resource Type - Actual (Exhibit D-2). The Operating Transfer to Special Revenue Fund –Preschool Programs is included on this statement in the Other Finances (Uses) section. Sample GASB 34 statements are available on the DOE Finance/GASB 34 website at <http://www.state.nj.us/njded/finance/fp/gasb34>.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (EXHIBIT C-3)
Reconciliation from Budget to GAAP Information

The information formerly included in *Note 1(D) Summary of Significant Accounting Policies – Budgets/Budgetary Control* is now part of the required reconciliation from budgetary basis “revenues” to GAAP revenues and from budgetary basis “outflows” to GAAP expenditures in the *Required Supplementary Information Budgetary Comparison Schedule, Note to RSI (Exhibit C-3) (Reconciliation)*.

The total “revenues” (budgetary basis) amount for the General Fund is obtained from the *Budgetary Comparison Schedule – General Fund* (Exhibit C-1). The budget for school districts in New Jersey is on a modified accrual basis with the exception of the recognition of revenue for the last state aid payment. As required by P.L. 2003, c.95, for budgetary purposes, the last state aid payment is recognized at June 30. For GAAP purposes, this revenue is not recognized until the subsequent year when it is included in the state budget. Thus, this payment will be a reconciling item reported on the Reconciliation. Total expenditures of the General Fund must be reported, but there should be no reconciling items, since the budgetary expenditures are on a modified accrual basis.

Total expenditures (budgetary basis) for the special revenue fund are obtained from the *Special Revenue Fund - Combining Schedule of Revenues and Expenditures – Budgetary Basis* (Exhibit C-2) and represent total budgetary basis expenditures for WSR schools and non-WSR schools. This amount is then increased for prior year encumbrances and decreased for current year encumbrances to determine total current year expenditures on a GAAP basis.

GASB 34 requires the budgetary comparison schedule to be accompanied by information (either in a separate schedule or in the notes to RSI) that reconciles budgetary information to GAAP information. The expenditure information contained in this schedule or note when implementing GASB 34 is the same information included in Note 1D prior to implementing GASB 34. The amount for total expenditures (budgetary basis) is obtained from the actual column of the Budgetary Comparison Schedule – Special Revenue Fund and represents total budgetary basis expenditures for WSR schools and non-WSR schools. That amount is then increased for prior year encumbrances and decreased for current year encumbrances to determine total current year expenditures on a GAAP basis as reported in the special revenue fund column of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances. GASB 34 also requires a budgetary basis to GAAP basis reconciliation of resources. For the year ending June 30, 2003, the revenue related to the last state aid payment will be a reconciling item. A sample reconciliation including both expenditures and resources is included as Exhibit B-3 on the DOE Finance/GASB 34 website at: <http://www.state.nj.us/njded/finance/fp/gasb34>.

SPECIAL REVENUE FUND

PREPARING THE RESTRICTED STATE AID SCHEDULES (EXHIBITS E-2, E-3 AND E-4)

District-wide Demonstrably Effective Program Aid (DEPA), Early Childhood Program Aid (ECPA), and Distance Learning Network Aid (DLNA) restricted state aid schedules are required to be included in the Special Revenue (E-series) of the Special Revenue Fund section of the CAFR.

ECPA and DLNA carryovers are reported on a districtwide basis.

Since DEPA funding is generated by school, a calculation of DEPA actual expenditures as well as carryover is required for each non-WSR school. As in the prior years, each district is required to prepare DEPA schedules for all non-WSR schools receiving DEPA (Exhibit E-2a). The DEPA Budget and Carryover Calculations are no longer required for WSR schools, unless the WSR school has unbudgeted DEPA carryover since, *N.J.A.C. 6A:24-4.4(a)4* considers DEPA funds transferred to Fund 15 to be general funds available for WSR. Once DEPA, ECPA and DLNA funds are transferred to Fund 15, they are considered general funds to be spent in Fund 15 and are considered fully spent in Fund 20. Therefore the actual expenditures recorded on the "Contribution to Whole School Reform" line should always equal the budgeted amount on that line. There will be no DEPA, ECPA or DLNA carryover related to whole school reform schools in Fund 20 at June 30, 2003, with the exception of unbudgeted DEPA carryover. Any unspent DEPA, ECPA or DLNA contribution to WSR included in Fund 15 at June 30, 2003 will be considered general fund surplus.

CALCULATION OF DEPA BUDGET & CARRYOVER IN A NON-WHOLE SCHOOL REFORM SCHOOL IN AN ABBOTT DISTRICT (EXHIBIT E-2 SERIES)

At the bottom of each non-WSR school schedule is a calculation of the 2002-03 Available & Unbudgeted Funds and the Actual Carryover as of June 30, 2003. Line (1) represents the 2002-03 revised DEPA allocation for that school. This amount can be obtained from the district's SAINET and represents budgetary revenue which differs from cash received since the last state aid payment was received in July, 2003. In instances where original aid allocations by school included closed or omitted schools, department approval would have been necessary to charge the school allocation and should be on file.

Line (2) represents the actual audited DEPA carryover as of June 30, 2002 for that location. **Districts receiving additional Abbott v. Burke state aid in 2002-03 were required to revise the budgeted June 30, 2002 carryover amount to agree to the actual June 30, 2002 carryover to offset additional Abbott v. Burke state aid.**

Line (3) represents the total 2002-03 DEPA funds available for the 2002-03 budget (the sum of Lines 1 and 2). Line (4) represents the amount the district included in its DEPA budget for the fiscal year 2002-03 including approved carryover amounts and contribution to charter schools.

Line (5) represents the difference between Line (3) and Line (4). If a district did not revise its budgeted original allocation (if applicable) or revise its budgeted June 30, 2002 carryover, then this amount is considered Available and Unbudgeted as of June 30, 2003 and is considered a component of the Actual Carryover – DEPA as of June 30, 2003.

Line (6) represents 2002-03 budgeted DEPA (Line 4) less the "total actual" for the school. This amount represents the unexpended/unencumbered DEPA.

Line (7) is the total of Lines (5) and (6).

Line (8) can be found in the 2003-04 Supporting Documentation 16c for that location from the 2003-04 final approved budget. If the portion of the actual carryover, which relates to non-WSR schools (Line 7) is less than the budgeted amount for non-WSR schools (Line 8), then the district must file an amended 2003-04 DEPA operational plan with the Department. If the portion of the actual carryover related to non-WSR schools is greater than the portion of the budgeted carryover for non-WSR schools, then the district has the option of filing an amended DEPA operational plan or it can retain the additional carryover amount not originally budgeted as deferred revenue until 2004-05.

If a WSR school has unbudgeted DEPA carryover from June 30, 2002, a calculation of budget and carryover is required for that school.

PREPARING THE DEPA RESTRICTED AID SCHEDULES (EXHIBIT E-2 SERIES)

The *Schedules of Demonstrably Effective Program Aid* (Exhibit E-2 series) are prepared from the district records and are the responsibility of the district. These schedules are to be included in the Other Supplementary Information section of the CAFR (see OUTLINE OF CAFR included in this document). A separate schedule must be prepared for each non-WSR location as well as a districtwide schedule. Districts are required to track DEPA expenditures in non-WSR schools in the special revenue fund using the uniform grant project budget schedule coding structure. All WSR schools were required to transfer the DEPA funds to Fund 15 and blend them with other funds in Fund 15.

Separate schedules by location are not prepared for WSR schools because actual spending by program is not tracked using the uniform grant project budget schedule coding structure for these schools. *N.J.A.C. 6A:24-4.4(a) 4* states, "Except where prohibited by Federal law, all local, State and Federal funds shall be considered general funds available for WSR activities, notwithstanding any restrictions that would otherwise apply." Once DEPA funds are transferred to Fund 15, they are considered general funds to be spent in Fund 15 and are considered fully spent in Fund 20. Therefore, the actual expenditures recorded on the "Contribution to Whole School Reform" line will always equal the budgeted amount on that line. The "budgeted" amount in this line is the total DEPA resources contributed to WSR schools, which is obtained from the district's 2002-03 final approved detailed appropriations line 13681 adjusted for any Board approved transfers. **The actual amount on this line will always equal the budgeted contribution to WSR.** There is no DEPA budgeted carryover related to WSR schools in Fund 20 at June 30, 2003. Any unspent DEPA contribution to WSR included in Fund 15 at June 30, 2003, is considered general fund surplus. If a WSR school has unbudgeted DEPA carryover as of June 30, 2003, a calculation of budget and carryover must be prepared for that school.

The format of the schedule was designed to provide an audit trail of the actual spending by approved demonstrably effective program (DEP) versus total budgeted spending, as well as to calculate deferred revenue by location. This schedule is to be prepared on the budgetary basis where "actual" equals the 2002-03 expenditures plus encumbrances at June 30, 2003. These encumbrances must be liquidated within 60 to 90 days.

A schedule is to be prepared for each non-WSR school or location that spent DEPA. This schedule must include the actual spending for each program/strategy in place at that school using the uniform grant project budget schedule coding structure. All of the programs/strategies are to be summed up to determine the total spending by school.

A districtwide summary schedule is to be prepared once a schedule is completed for each non-WSR location and the *Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type – Actual* (Exhibit D-2 series) are completed for each WSR school. The “actual” column is the sum of the “total actual” columns from the location schedules. The “budgeted” column can be obtained from the district’s 2002-03 final approved detailed appropriations lines 13410 – 13690 adjusted for any revised allocations, approved carryovers and/or transfers. The total “budgeted” expenditures reported on the districtwide summary must equal the sum of the total budgeted DEPA expenditures (Line 4).

“Contribution to Charter Schools”. The “budgeted” amount on this line should be the estimated payment of DEPA to charter schools generated by the resident students projected to attend the charter schools and included on budget line 13682 and coded to program 999 in Supporting Documentation Item 16c. The “actual” amount on this line is the total DEPA paid to charter schools, by the public school district, for the public school district resident students attending the charter school.

The bottom of the districtwide summary is a roll up of the carryover calculations from the location schedules. The amount reported as Total Adjusted 2002-03 DEPA Allocation must agree to the total DEPA entitlement reported on the 2001-02 DEPA State Aid printouts. Due to flat funding, new DEPA allocations by school were not distributed in 2002-03. The amount reported as “Actual Carryover-DEPA” less the revenue amount of the last state aid payment for DEPA must agree to the total of the deferred revenue reported on *Schedule B, Schedule of State Financial Assistance*, under DEPA. The deferred revenue amounts appearing in the *Balance Sheet* of the Basic Financial Statements will be the total of the deferred revenue per the *Schedule of Expenditures of State Financial Assistance, Schedule B*, plus any encumbrances. This difference will be included in the Budget to GAAP Reconciliation contained in Notes to Required Supplementary Information.

Please note that on the sample statements every possible account is listed for non-WSR schools. This is an optional format. Districts may list only those accounts that are applicable. **In addition, the line (#) references on the sample statements should not appear on the actual statement in the CAFR.**

Anytown School District
Special Revenue Fund
Demonstrably Effective Program Aid Schedule of Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2003

<u>District-wide Total</u>			
	<u>2003</u>		
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 1,125,000	\$ 1,118,479	\$ 6,521
Other Salaries for Instruction	14,040	14,040	-
Purchased Professional and Technical Services	1,800	1,800	-
Other Purchased Services (400-500 series)	67,604	60,007	7,597
General Supplies	137,000	136,838	162
Textbooks	80,000	74,300	5,700
Other Objects	120,016	114,917	5,099
Total instruction	<u>1,545,460</u>	<u>1,520,381</u>	<u>25,079</u>
Support services:			
Salaries of Other Professional Staff	50,000	44,445	5,555
Other Salaries	6,000	3,500	2,500
Personal Services - Employee Benefits	155,000	150,860	4,140
Purchased Professional - Educational Services	13,072	13,072	-
Other Purchased Professional Services	3,900	-	3,900
Purchased Technical Services	3,190	3,190	-
Rentals	15,000	1,000	14,000
Travel	18,000	1,375	16,625
Supplies & Materials	20,000	14,486	5,514
Total support services	<u>284,162</u>	<u>231,928</u>	<u>52,234</u>
Facilities acquisition and const. serv.:			
Instructional Equipment	306,727	302,403	4,324
Noninstructional Equipment	14,651	550	14,101
Total facilities acquisition and const. serv.	<u>321,378</u>	<u>302,953</u>	<u>18,425</u>
Contribution to Charter Schools	<u>180,000</u>	<u>180,000</u>	<u>-</u>
Contribution to Whole School Reform	<u>960,000</u>	<u>960,000</u>	<u>-</u>
Total expenditures	<u>\$ 3,291,000</u>	<u>\$ 3,195,262</u>	<u>\$ 95,738</u>

SUMMARY OF LOCATION TOTALS

Note to Preparer
a) Prepare all individual DEPA locations prior to completing this exhibit.

Total 2002-03 DEPA Allocation	3,220,000	(1)
Actual DEPA Carryover (June 30, 2002)	62,904	(2)
Total DEPA Funds Available for 2002-03 Budget	3,282,904	(3)
Less: 2002-03 Budgeted DEPA (Including prior year budgeted carryover)	(1,371,000)	(4)
Available & Unbudgeted DEPA Funds as of June 30, 2003	1,911,904	(5)
Add: 2002-03 Unexpended DEPA	(1,824,262)	(6)
2002-03 Actual Carryover	\$ 87,642	(7)
2002-03 DEPA Carryover Budgeted in 2003-04	\$ 52,000	(8)

Anytown School District
Special Revenue Fund
Demonstrably Effective Program Aid Schedule of Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2003

<u>School: A</u>	Program Code					Total Actual
	<u>115</u>	<u>117</u>	<u>107</u>	<u>2XX</u>	<u>999</u>	
	Actual	Actual	Actual	Actual	Actual	
EXPENDITURES:						
Instruction:						
Salaries of Teachers	\$ 89,206	\$ 1,455	\$ 65,000	\$ 204,250	\$ -	\$ 359,911
Other Salaries for Instruction	-	-	-	-	-	-
Purchased Professional and Technical Services	-	1,800	-	-	-	1,800
Other Purchased Services (400-500 series)	-	-	13,040	654	-	13,694
General Supplies	7,934	-	6,565	68,906	-	83,405
Textbooks	5,800	-	-	35,965	-	41,765
Other Objects	-	-	-	-	-	-
Total instruction	<u>102,940</u>	<u>3,255</u>	<u>84,605</u>	<u>309,775</u>	<u>-</u>	<u>500,575</u>
Support Services:						
Salaries of Other Professional Staff	21,840	2,720	19,885	-	-	44,445
Other Salaries	-	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	37,204	-	37,204
Purchased Professional - Educational Services	13,072	-	-	-	-	13,072
Other Purchased Professional Services	-	-	-	-	-	-
Purchased Technical Services	2,840	350	-	-	-	3,190
Rentals	-	1,000	-	-	-	1,000
Travel	-	1,375	-	-	-	1,375
Supplies & Materials	13,736	750	-	-	-	14,486
Total support services	<u>51,488</u>	<u>6,195</u>	<u>19,885</u>	<u>37,204</u>	<u>-</u>	<u>114,772</u>
Facilities acquisition and const. serv.:						
Instructional Equipment	14,000	-	-	135,272	-	149,272
Noninstructional Equipment	-	-	-	550	-	550
Total facilities acquisition and const. serv.	<u>14,000</u>	<u>-</u>	<u>-</u>	<u>135,822</u>	<u>-</u>	<u>149,822</u>
Contribution to Charter Schools	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>180,000</u>	<u>180,000</u>
Total expenditures	<u>\$ 168,428</u>	<u>\$ 9,450</u>	<u>\$ 104,490</u>	<u>\$ 482,801</u>	<u>\$ 180,000</u>	<u>\$ 945,169</u>

CALCULATION OF BUDGET & CARRYOVER

2002-03 DEPA Allocation	\$ 982,000	(1)
Actual DEPA Carryover (June 30, 2002)	<u>46,831</u>	(2)
Total DEPA Funds Available for 2002-03 Budget	1,028,831	(3)
Less: 2002-03 Budgeted DEPA (Including prior year budgeted carryover)	<u>(1,020,000)</u>	(4)
Available & Unbudgeted DEPA Funds as of June 30, 2003	8,831	(5)
Add: 2002-03 Unexpended DEPA	<u>74,831</u>	(6)
2002-03 Actual Carryover - DEPA	<u>\$ 83,662</u>	(7)
2002-03 DEPA Carryover Budgeted in 2003-04	<u>\$ 40,000</u>	(8)

**Anytown School District
Special Revenue Fund
Demonstrably Effective Program Aid Schedule of Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2003**

<u>School: B</u>	Program Code					<u>Total Actual</u>
	<u>108</u>	<u>121</u>	<u>114</u>	<u>107</u>	<u>999</u>	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	
EXPENDITURES:						
Instruction:						
Salaries of Teachers	\$ 289,500	\$ 76,000	\$ 167,053	\$ 226,015	\$ -	\$ 758,568
Other Salaries for Instruction	-	14,040	-	-	-	14,040
Purchased Professional and Technical Services	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	27,878	-	18,435	-	46,313
General Supplies	22,860	-	30,573	-	-	53,433
Textbooks	32,535	-	-	-	-	32,535
Other Objects	2,303	-	92,614	20,000	-	114,917
Total instruction	347,198	117,918	290,240	264,450	-	1,019,806
Support Services:						
Salaries of Other Professional Staff	-	-	-	-	-	-
Other Salaries	-	-	3,500	-	-	3,500
Personal Services - Employee Benefits	53,500	9,000	-	51,156	-	113,656
Purchased Professional - Educational Services	-	-	-	-	-	-
Other Purchased Professional Services	-	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Travel	-	-	-	-	-	-
Supplies & Materials	-	-	-	-	-	-
Total support services	53,500	9,000	3,500	51,156	-	117,156
Facilities acquisition and const. serv.:						
Instructional Equipment	29,784	-	75,015	48,332	-	153,131
Noninstructional Equipment	-	-	-	-	-	-
Total facilities acquisition and const. serv.	29,784	-	75,015	48,332	-	153,131
Contribution to Charter Schools	-	-	-	-	-	-
Total expenditures	\$ 430,482	\$ 126,918	\$ 368,755	\$ 363,938	\$ -	\$ 1,290,093

CALCULATION OF BUDGET & CARRYOVER

2002-03 DEPA Allocation	\$ 1,278,000	(1)
Actual DEPA Carryover (June 30, 2002)	16,073	(2)
Total DEPA Funds Available for 2002-03 Budget	1,294,073	(3)
Less: 2002-03 Budgeted DEPA (Including prior year budgeted carryover)	(1,311,000)	(4)
Available & Unbudgeted DEPA Funds as of June 30, 2003	(16,927)	(5)
Add: 2002-03 Unexpended DEPA	20,907	(6)
2002-03 Actual Carryover - DEPA	\$ 3,980	(7)
2002-03 DEPA Carryover Budgeted in 2003-04	\$ 12,000	(8)

PREPARING THE ECPA RESTRICTED AID SCHEDULE (EXHIBIT E-3)

The *Schedule of Early Childhood Program Aid* (Exhibit E-3) is prepared from the district records and is the responsibility of the district. This schedule is to be included in the Other Supplementary Information section of the CAFR (see OUTLINE OF CAFR included in this document). Beginning in 2002-03, districts were required to record the early childhood appropriations and expenditures for the three and four year old programs in the special revenue fund and the appropriations and expenditures for the kindergarten programs in the school-based budgets of the school containing the classrooms. The preschool programs were funded with Early Childhood Program Aid (ECPA); ECPA carryover, Pre-school Expansion Aid (PSEA), and a general fund transfer, which could include additional Abbott v. Burke state aid. Consistent with prior years, districts were permitted to transfer ECPA to Fund 15 to fund the second half day of kindergarten.

N.J.A.C. 6A:24-4.4(a)4 states, "Except where prohibited by law, all local, State and Federal funds shall be considered general funds available for WSR activities notwithstanding any restrictions that would otherwise apply." Once ECPA funds are transferred to Fund 15, they are considered general funds to be spent in Fund 15 and are considered fully spent in Fund 20. Therefore, the actual expenditures recorded on the "Contribution to Whole School Reform" line will always equal the budgeted amount on that line. The "budgeted" amount in this line is the total ECPA resources contributed to WSR schools, which is obtained from the district's 2002-03 final approved detailed appropriations line 13291. There will be no ECPA carryover related to whole school reform schools in Fund 20 at June 30, 2003. Any unspent ECPA Contribution to WSR included in Fund 15 at June 30, 2003 will be considered general fund surplus.

The format of the schedule was designed to provide an audit trail of the actual versus budgeted expenditures as well as to calculate deferred revenue. This schedule is to be prepared on the budgetary basis where "actual" equals the 2002-03 expenditures plus encumbrances at June 30, 2003. These encumbrances must be liquidated within 60 to 90 days. The "budgeted" amounts can be obtained from the district's 2002-03 final approved detailed appropriations lines 13010 – 13300 adjusted for any approved carryovers and/or transfers.

The budgeted "Contribution to Charter Schools" amount is the total included on Supporting Documentation 15a, which is the amount included on line 13292 of the 2002-03 final approved advertised budget. The "actual" amount in this line is the total aid paid to charter schools, by the public school district, for the public school district resident students attending the charter school.

At the bottom of the schedule is a calculation of the Available & Unbudgeted funds as of June 30, 2003 (Line 7) and the 2002-03 Actual Carryover (Line 9). Line (1) represents the total 2002-03 ECPA allocation. This amount can be obtained from the district's SAINET and represents budgetary revenue which differs from the cash received since the last state aid payment was received in July, 2003.

Line (2) represents the actual audited ECPA carryover as of June 30, 2002 included in the 2002-03 budget as a resource. Districts receiving additional Abbott v. Burke state aid in 2002-03 were required to revise the budgeted June 30, 2002 carryover amount to agree to the actual June 30, 2002 carryover to offset additional Abbott v. Burke state aid.

Line (3) represents the amount transferred from the general fund to fund preschool programs. This amount should include PSEA budgeted on revenue line 360 and detailed on supporting documentation item 8 in the district's budget. In addition, Abbott v. Burke state aid and other general fund resources may also have been used to support the preschool program. The total amount transferred can be obtained from lines 511 and 2511 in the 2002-03 final approved budget.

Line (4) represents the total ECPA funds available for the 2002-03 budget (the sum of Lines 1-3).

Line (5) represents the amount the district included in its ECPA budget for the fiscal year 2002-03 including the contributions to WSR and charter schools. This line should agree to the total budgeted expenditures reported in the first column of this schedule.

Line (6) represents the difference between Line (4) and Line (5). The amount on Line 6 is considered Available and Unbudgeted as of June 30, 2003. Line (6) is then considered a component of the Actual Carryover – ECPA as of June 30, 2003.

Line (7) represents 2002-03 budgeted ECPA (Line 5) less the “total actual” for the program. This amount represents the 2002-03 unexpended/unencumbered ECPA and should agree to the variance column in the schedule.

Line (8) is the total Actual Carryover – ECPA as of June 30, 2003 and is the sum of Lines (6) and (7). This carryover less the revenue amount of the last state aid payment for ECPA must agree to the total of the deferred revenue reported on *Schedule B, Schedule of State Financial Assistance*, under Early Childhood Program Aid. The deferred revenue amounts appearing in the *Balance Sheet (Exhibit B-1)* of the Basic Financial Statements will be the total of the deferred revenue per the *Schedule of Expenditures of State Financial Assistance, Schedule B*, (Exhibit K-4) plus any encumbrances. This difference will be included in the Budget to GAAP Reconciliation (Exhibit C-3) contained in the Notes to the Required Supplementary Information.

Line (9) can be found in the 2003-04 Supporting Documentation 15a from the 2003-04 final approved budget. If the actual carryover (Line 9) is less than the budgeted amount, then the district must revise their 2003-04 budget.

Please note that on the sample statement every possible account is listed. This is an optional format. Districts may list only those accounts that are applicable. **In addition, the line (#) references on the sample statements should not appear on the actual statements in the CAFR.**

Anytown School District
Special Revenue Fund
Early Childhood Program Aid Schedule of Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 808,954	\$ 798,268	\$ 10,686
Other Salaries for Instruction	253,474	252,365	1,109
Other Purchased Services (400-500 series)	325,000	315,000	10,000
General Supplies	110,500	107,500	3,000
Textbooks	-	-	-
Other Objects	-	-	-
Total instruction	<u>1,497,928</u>	<u>1,473,133</u>	<u>24,795</u>
Support services:			
Salaries of Program Directors	-	-	-
Salaries of Supervisors of Instruction	-	-	-
Salaries of Other Professional Staff	-	-	-
Salaries of Secr. And Clerical Assistants	-	-	-
Other Salaries	-	-	-
Personal Services - Employee Benefits	142,072	141,589	483
Purchased Educational Services - Contracted Pre-K	60,000	55,689	4,311
Purchased Professional - Educational Services	-	-	-
Other Purchased Professional Services	-	-	-
Purchased Technical Services	-	-	-
Rentals	-	-	-
Contr. Serv.-Trans. (Bet. Home & Sch.)	-	-	-
Contr. Serv.-Trans. (Wrap Around Services)	-	-	-
Contr. Serv.-Trans. (Field Trips)	-	-	-
Travel	-	-	-
Other Purchased Services (400-500 series)	-	-	-
Supplies & Materials	-	-	-
Other Objects	-	-	-
Total support services	<u>202,072</u>	<u>197,278</u>	<u>4,794</u>
Facilities acquisition and cont. serv:			
Instructional equipment	-	-	-
Noninstructional Equipment	-	-	-
Total Facilities acquisition and cont. serv:	<u>-</u>	<u>-</u>	<u>-</u>
Contribution to Whole School Reform	<u>775,000</u>	<u>775,000</u>	<u>-</u>
Contribution to Charter Schools	<u>175,000</u>	<u>175,000</u>	<u>-</u>
Total expenditures	<u>\$ 2,650,000</u>	<u>\$ 2,620,411</u>	<u>\$ 29,589</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2002-03 ECPA Allocation	\$ 1,841,364	(1)
Add: Actual ECPA Carryover (June 30, 2002)	89,115	(2)
Add: Budgeted transfer from General Fund (including Preschool Expansion Aid Recorded in Fund 11)	879,415	(3)
Total ECPA Funds Available for 2002-03 Budget	2,809,894	(4)
Less: 2002-03 Budgeted ECPA (Including prior year budgeted carryover)	(2,650,000)	(5)
Available & Unbudgeted ECPA Funds as of June 30, 2003	159,894	(6)
Add: June 30, 2003 Unexpended ECPA	29,589	(7)
2002-03 Actual Carryover - ECPA	<u>\$ 189,483</u>	(8)
2002-03 ECPA Carryover Budgeted in 2003-04	<u>\$ 130,000</u>	(9)

***PREPARING THE DISTANCE LEARNING NETWORK AID RESTRICTED AID SCHEDULE
(EXHIBIT E-4)***

The *Schedule of Distance Learning Network Aid* (DLNA) (Exhibit E-4) is prepared from the district records and is the responsibility of the district. This schedule is to be included in the Other Supplementary Information section of the CAFR (see OUTLINE OF CAFR included in this document).

All districts are required to track DLNA expenditures in non-WSR schools in the special revenue fund using the uniform grant project budget schedule coding structure. All WSR schools were required to transfer the DLNA funds to the Blended Resource Fund (Fund 15) and blend them with other funds in Fund 15.

N.J.A.C. 6A:24-4.4(a) 4 states, “Except where prohibited by Federal law, all local, State and Federal funds shall be considered general funds available for WSR activities notwithstanding any restrictions that would otherwise apply.” Once DLNA funds are transferred to Fund 15, they are considered general funds to be spent in Fund 15 and are considered fully spent in Fund 20. Therefore, the actual expenditures recorded on the “Contribution to Whole School Reform” line will always equal the budgeted amount on that line. The “budgeted” amount in this line is the total DLNA resources contributed to WSR schools, which is obtained from the district’s 2002-03 final approved detailed appropriations section of the budget line 13891 adjusted for any Board approved transfers. **The “actual” amount in this line will always equal the budgeted contribution to WSR.** There will be no DLNA carryover related to whole school reform schools in Fund 20 at June 30, 2003. Any unspent DLNA contribution to WSR included in Fund 15 at June 30, 2003 will be considered general fund surplus.

The format of the schedule was designed to provide an audit trail of the actual versus budgeted expenditures as well as calculate deferred revenue. This schedule is to be prepared on the budgetary basis where “actual” equals the 2002-03 expenditures plus encumbrances at June 30, 2003. These encumbrances must be liquidated within 60 to 90 days. The “budgeted” amounts are to be taken from the district’s 2002-03 final approved budget on lines 13710 – 13900 of the detailed appropriations section of the budget adjusted for any approved carryovers and/or transfers.

The “budgeted” amount for “Contribution to Charter Schools” on this line should be the estimated payment of DLNA to charter schools generated by the resident students projected to attend the charter schools and included on budget line 13892. The “actual” amount on this line is the total DLNA paid to charter schools, by the public school district, for the public school district resident students attending the charter school.

At the bottom of the schedule is a calculation of the Available & Unbudgeted funds as of June 30, 2002 (Line 5) and the 2003-04 Actual Carryover (Line 7). Line (1) represents the 2002-03 DLNA allocation. This amount can be obtained from the district’s SAINET and is a budgetary amount which differs from the cash received by the amount of the last state aid payment which would be received in July, 2003.

Line (2) represents the actual audited DLNA carryover as of June 30, 2002. Districts receiving additional Abbott v. Burke state aid in 2002-03 were required to revise the budgeted June 30, 2002 carryover amount to agree to the actual June 30, 2002 carryover to offset additional Abbott v. Burke state aid.

Line (3) represents the total 2002-03 DLNA funds available for the 2002-03 budget (the sum of Lines 1 & 2).

Line (4) represents the amount the district included in its DLNA budget for the fiscal year 2002-03 including the contributions to WSR and charter schools. Line 4 should agree to the total budgeted expenditures reported in the first column of this schedule.

Line (5) represents the difference between Line (3) and Line (4). If a district did not revise its budgeted original allocation (if different) or revise its budgeted June 30, 2002 carryover, then this amount is considered Available and Unbudgeted as of June 30, 2003. Line (5) is then considered a component of the Actual Carryover – DLNA as of June 30, 2003.

Line (6) represents 2002-03 budgeted DLNA (Line 4) less the “total actual” for the program. This amount represents the unexpended/unencumbered DLNA and should agree to the total variance in the third column of this schedule.

Line (7) is the total Actual Carryover – DLNA as of June 30, 2003 and is the sum of Lines (5) and (6).

Line (8) can be found in the district’s 2003-04 final approved budget on line 423 of the advertised revenue section. All carryover must be expended in subsequent years for allowable program expenditures.

The Actual Distance Learning Carryover is the difference between the amount available for budgeting and the actual amount. This carryover less the revenue amount of the last state aid payment for DLNA must agree to the total of the deferred revenue reported on *Schedule B, Schedule of Expenditures of State Financial Assistance*, (Exhibit K-4) under Distance Learning Network Aid. The deferred revenue amounts appearing in the *Balance Sheet* of the Basic Financial Statements will be the total of the deferred revenue per the *Schedule of Expenditures of State Financial Assistance*, Schedule B, plus any encumbrances. This difference will be included in the Budget to GAAP Reconciliation contained in the Notes to the Required Supplementary Information.

Please note that on the sample schedule every possible account is listed. This is an optional format. Districts may list only those accounts that are applicable. **In addition, the line (#) references on the sample schedules should not appear on the actual schedules in the CAFR.**

Anytown School District
Special Revenue Fund
Distance Learning Network Aid Schedule of Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2003

	Total		
	Budgeted	Actual	Variance
EXPENDITURES:			
Support services:			
Salaries of Other Professional Staff	\$ 14,877	\$ 14,877	\$ -
Other Purchased Services (400-500 Series)	86,575	75,895	10,680
Supplies & Materials	21,548	21,548	-
Total support services	123,000	112,320	10,680
Facilities acquisition and const. serv.:			
Buildings	157,500	150,000	7,500
Noninstructional Equipment	100,000	100,000	-
Total facilities acquisition and const. serv.	257,500	250,000	7,500
Contribution to Charter Schools	17,500	17,500	-
Contribution to Whole School Reform	263,000	263,000	-
Total expenditures	\$ 661,000	\$ 642,820	\$ 18,180

CALCULATION OF BUDGET & CARRYOVER

Total 2002-03 Distance Learning Network Aid Allocation	\$ 641,925
Actual Distance Learning Network Aid Carryover (June 30, 2002)	20,000
Total Distance Learning Network Aid Available for 2002-03 Budget	661,925
Less: 2002-03 Budgeted Distance Learning Network Aid (Including prior year budgeted carryover)	(661,000)
Available & Unbudgeted DLNA Funds as of June 30, 2003	925
Add: 2002-03 Unexpended DLNA	18,180
2002-03 Actual Carryover - DLNA	\$ 19,105
2002-03 DLNA Carryover Budgeted in 2003-04	\$ 15,000

SINGLE AUDIT SECTION

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS (EXHIBIT K-3)

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (EXHIBIT K-4)

NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE (EXHIBIT K-5)

The Single Audit schedules are prepared using the budgetary basis of accounting. Amounts should agree with the *Budgetary Comparison Schedule – General Fund* and the *Budgetary Comparison Schedule – Special Revenue Fund* described in a previous section of The Abbott Addendum.

The total budgetary expenditure amounts for the federal programs calculated in the Encumbrances Worksheet (see previous section) are included on *Schedule A, Schedule of Expenditures of Federal Awards* (Exhibit K-3).

The *Schedule of Expenditures of State Financial Assistance* (Exhibit K-4) will include state aid available only to Abbott districts, such as Abbott Parity Remedy Aid, Supplemental Aid, Abbott Preschool Expansion Aid (PSEA) in the general fund section (with a walkover to the special revenue section – ECPA- for the PSEA). The special revenue fund budgetary expenditures reported on *Schedule B, Schedule of Expenditures of State Financial Assistance* are obtained from the applicable district-wide restricted aid schedule (Exhibits E-3, E-4 or E-5).

Economic Development Authority/School Construction Corporation (EDA/SCC) grants for facilities construction should be included in this section if the district owns the real estate at June 30 on which improvements have been made or are in progress. Although the EDA/SCC constructs the facilities, the improvements, additions, or buildings on district land are considered a noncash revenue to the district.

NOTE 3, RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (EXHIBIT K-5)

Note 3, Relationship to Basic Financial Statements, included in the *Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance* (Exhibit K-5), for Abbott school districts will include the contribution of restricted federal and state resources to WSR, which are recorded as operating transfers from the special revenue fund to the general fund. The amounts to be included in the general fund line are obtained from the Fund 15 districtwide summary of the *Blended Resource Fund Statement of Expenditures Allocated by Resource Type - Actual* (Exhibit B-5) and are labeled Other State Resources and Total Restricted Federal Resources, as applicable. State aids recorded as general fund revenue in Fund 10 are added to other state resources to determine the state expenditures in the general fund. These amounts must be included in the General Fund line of this footnote.

NOTE 7, SCHOOLWIDE PROGRAM FUNDS (EXHIBIT K-5)

The OMB A-133 Compliance Supplement encourages showing in a footnote, by program, the amounts used in schoolwide programs. A sample footnote, *Note 7, Schoolwide Program Funds*, included in the *Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance* (Exhibit K-5), should detail, by program, the amounts included in the schoolwide programs in the district.

ANYTOWN SCHOOL DISTRICT**Notes to Schedules of Expenditures of Awards and Financial Assistance****June 30, 2003****3. Relationship to Basic Financial Statements**

Amounts reported in the accompanying schedules agree with amounts reported in the Board's basic financial statements. The basic financial statements present the Special Revenue Fund on a GAAP basis. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. See the Note to the Required Supplementary Information/ Budget to GAAP Reconciliation (Exhibit C-3) for a reconciliation of the budgetary basis to the GAAP basis of accounting for the Special Revenue Fund.

Federal and state award revenues, including those contributed to WSR, are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General fund	\$ 1,556,063	\$ 13,501,625	\$ 11,513,847
Special revenue fund	236,000	3,831,222	7,611,063
Debt service fund	-0-	195,286	195,286
Enterprise fund	562,401	37,173	599,574
Total financial award revenues	<u>\$ 2,354,464</u>	<u>\$ 17,565,306</u>	<u>\$ 19,919,770</u>

7. Schoolwide Program Funds

Schoolwide programs are not separate Federal programs as defined in OMB Circular A-133; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditure of Federal Awards. The following funds by program are included in schoolwide programs in the district.

<u>Program</u>	<u>Total</u>
Title I, Part A: Improving Basic Programs	\$ 616,877
Title II: Teacher and Principal Training and Recruiting	108,281
Title III, Part A. of NCLB: English Language Acquisition	503,896
Title IV: Safe and Drug-Free Schools and Communities	149,476
Title V Innovative Programs	171,011
Total	<u>\$ 1,549,541</u>

GENERAL FUND SUBSECTION COVER PAGE

The cover page preceding the general fund subsection should be revised for Abbott school districts to provide a brief description of Fund 15 and how it relates to the operating general fund. A suggested description is as follows: “Abbott districts with schools implementing WSR and school based budgeting will have additional general fund detail schedules for each WSR school. Those schedules are the *Blended Resource Fund Schedules of Expenditures Allocated by Resource Type – Actual* (Exhibit D-2), the *Blended Resource Fund Schedules of Blended Expenditures – Budget and Actual* (Exhibit D-3), the *Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual* (Exhibit C-1a), and the *Combining Balance Sheet* (Exhibit D-1) [optional use].”

ANYTOWN SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2003

SCHEDULE A

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2002	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Accounts Receivable	Deferred Revenue June 30, 2003	Due to Grantor
				From	To									
U.S. Department of Education														
General Fund:														
Impact Aid	84.041	N/A	\$3,000	7/1/02	6/30/03			\$3,000	(\$3,000)					
Medical Assistance Program	93.778	N/A	7,222	7/1/02	6/30/03			7,222	(7,222)					
Total General Fund								10,222	(10,222)					
U.S. Department of Education														
Passed-through State Department of Education														
Special Revenue Fund:														
Title I, Part A 2002-03	84.01A	NCLB___X3	670,000	9/1/02	8/31/03			670,000	(654,597)				15,403	
Title I, Part A Carryover	84.01A	IASA___X2	148,000	9/1/01	8/31/02	12,000			(12,000)				-	-
I.D.E.A. Part B 2002-03			73,000	9/1/02	8/31/03			73,000	(73,000)				-	
I.D.E.A. Part B Carryover			68,000	9/1/01	8/31/02			5,000	(5,000)				-	
Title I, Part D Program for Neglected & Delinquent Children 2002-03	84.013A	NCLB___X3	110,000	9/1/02	8/31/03			107,721	(108,280)			(559)		
Title II, Part A Teacher & Principal Training and Recruiting 2002-03	84.281A	NCLB___X3	120,000	9/1/02	8/31/03			105,000	(108,280)			(3,280)		
Title III, Part A English Language Acquisition	84.010	NCLB___X3	505,000	9/1/02	8/31/03			505,000	(503,896)				1,104	
Title IV, Part A Safe & Drug Free School 2002-03	84.186A	NCLB___X3	156,000	9/1/02	8/31/03			156,000	(149,476)				6,524	
Title V, Part A Innovative Programs 2002-03	84.298A	NCLB___X3	173,000	9/1/02	8/31/03			173,000	(171,011)				1,989	
Total Special Revenue Fund						12,000	-	1,794,721	(1,785,540)			(3,839)	25,020	
U.S. Department of Agriculture														
Passed-through State Department of Education														
Enterprise Fund:														
Food Distribution Program	10.550	N/A	87,440	7/1/02	6/30/03			87,440	(87,440)					
School Breakfast Program	10.553	N/A	11,608	7/1/02	6/30/03			9,840	(11,608)			(1,768)		
School Breakfast Program	10.553	N/A	11,946	7/1/01	6/30/02	(1,802)		1,802						
National School Lunch Program	10.555	N/A	450,343	7/1/02	6/30/03			377,163	(450,343)			(73,180)		
Special Milk Program	10.556	N/A	391,960	7/1/02	6/30/03	(69,404)		69,404						
Total Enterprise Fund						(71,206)		545,649	(549,391)			(74,948)		
Total Federal Financial Awards						(\$59,206)		\$2,350,592	(\$2,345,153)	---		(\$78,787)		

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

Date Revised 7/03

ANYTOWN SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2003

SCHEDULE B

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2002			Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2003		
			From	To	(Accounts Receivable)	Deferred Revenue	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor at
State Department of Education															
General Fund:															
Core Curriculum Standards Aid	03-495-034-5120-022	\$8,455,694	7/1/02	6/30/03					\$ 8,032,909	(\$8,455,694)			(422,785)		
Transportation Aid	03-495-034-5120-014	105,892	7/1/02	6/30/03					100,597	(105,892)			(5,295)		
Special Education Aid	03-495-034-5120-011	1,092,257	7/1/02	6/30/03					1,037,644	(1,092,257)			(54,613)		
Bilingual Education Aid	03-495-034-5120-008	54,723	7/1/02	6/30/03					51,987	(54,723)			(2,736)		
Abbott Parity Remedy Aid	03-495-034-5120-042	96,585	7/1/02	6/30/03					91,756	(96,585)			(4,829)		
Abbott Preschool Expansion Aid	03-495-034-5120-055	879,415	7/1/02	6/30/03					835,444		(879,415)		(43,971)		
Additional Abbott v. Burke State Aid	03-495-034-5120-042	385,000	7/1/02	6/30/03					365,750	(385,000)			(19,250)		
On Behalf TPAF Pension Contributions	03-495-034-5095-001	270,140	7/1/02	6/30/03					270,140	(270,140)					
Reimbursed TPAF Social Security Contributions	03-495-034-5095-002	717,397	7/1/02	6/30/03					608,715	(717,397)			(108,682)		
Reimbursed TPAF Social Security Contributions	02-495-034-5095-002	679,570	7/1/01	6/30/02	(\$103,287)				103,287						
Total General Fund					(103,287)	-	-	-	11,498,229	(11,177,688)	(879,415)	-	(662,161)	-	
Special Revenue Fund:															
Demonstrably Effective Program Aid	03-495-034-5064-002	3,220,000	7/1/02	6/30/03				\$81,963	3,059,000	(3,195,262)			(161,000)	-	
Demonstrably Effective Program Aid	02-495-034-5064-002	3,220,000	7/1/01	6/30/02		81,963		(81,963)							
Early Childhood Program Aid	03-495-034-5120-025	1,841,364	7/1/02	6/30/03				89,115	1,749,296	(2,620,411)	879,415		(92,068)	97,415	
Early Childhood Program Aid	02-495-034-5120-025	1,841,364	7/1/01	6/30/02		89,115		(89,115)							
Distance Learning Network Aid	03-100-034-5120-348	641,925	7/1/02	6/30/03				20,000	609,829	(642,820)			(32,096)	-	
Distance Learning Network Aid	02-100-034-5120-348	641,925	7/1/01	6/30/02		20,000		(20,000)							
Instructional Supplement Aid	03-495-034-5120-029	550,000	7/1/02	6/30/03				10,987	522,500	(479,838)			(27,500)	53,649	
Instructional Supplement Aid	02-495-034-5120-029	550,000	7/1/01	6/30/02		10,987		(10,987)							
N.J. Nonpublic Aid:															
Textbook Aid	03-100-034-5120-064	20,999	7/1/02	6/30/03					20,999	(20,999)					
Auxiliary Services:															
English as a Second Language	03-100-034-5120-067	3,185	7/1/02	6/30/03					3,185	(3,100)				85	
English as a Second Language	02-100-034-5120-067	3,060	7/1/01	6/30/02			726					(726)			
Supplemental Instruction	03-100-034-5120-066	6,824	7/1/02	6/30/03					6,824	(6,824)					
Supplemental Instruction	02-100-034-5120-066	6,777	7/1/01	6/30/02			535					(535)			
Examination & Classification	03-100-034-5120-066	68,647	7/1/02	6/30/03					68,647	(68,647)					
Corrective Speech	03-100-034-5120-066	40,000	7/1/02	6/30/03					40,000	(39,500)				500	
Total Special Revenue Fund					-	202,065	1,261	-	6,080,280	(7,077,401)	879,415	(1,261)	(312,664)	151,064 585	
Debt Service Fund:															
Debt Service Aid Type II	03-495-034-5120-017	195,286	7/1/02	6/30/03	-	-	-	-	195,286	(195,286)	-	-	-	-	
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	03-100-010-3360-067	31,173	7/1/02	6/30/03					31,153	(37,173)			(6,020)		
National School Lunch Program (State Share)	02-100-010-3360-067	72,526	7/1/01	6/30/02	(4,342)				4,342						
Total Enterprise Fund					(4,342)		-	-	35,495	(37,173)	-	-	(6,020)	-	
Total State Financial Assistance					(\$107,629)	\$202,065	\$1,261	-	\$17,809,290	(\$18,487,548)		(\$1,261)	(\$980,845)	\$151,064 \$585	

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**EXCESS SURPLUS CALCULATION AND INSTRUCTIONS FOR ABBOTT SCHOOL
DISTRICTS**

This section is included in The Abbott Addendum to provide detailed instructions on preparing the excess surplus calculations in Abbott school districts. Districts should select the calculation applicable to the circumstances in their district in Section I. Sections 2 and 3 are the same as in the Audit Program.

The 2003-04 Appropriations Act requires districts receiving additional Abbott v. Burke state aid in 2003-04 to reduce June 30, 2003 surplus to 2 percent and initial calculations of additional Abbott v. Burke state aid should be adjusted accordingly.

Districts receiving additional Abbott v. Burke state aid in 2002-03 or 2003-04 must complete Calculation A. Excess surplus generated as a result of the 2 percent calculation is to be included on line 10024 in Audsum and budgeted in 2003-04. Detailed line-by-line instructions for Calculation A follow the sample.

Districts not receiving additional Abbott v. Burke state aid in 2002-03 **or 2003-04** are required to complete either Calculation B or C, depending on whether the district's expenditures are less than or greater than \$100 million for the year ended June 30, 2003. Detailed line-by-line instructions follow the sample calculations (after Calculation C).

Excess surplus is a budget related calculation using the general fund expenditures and fund balance of the budgetary comparisons statements/schedules. These amounts are reported on the modified accrual basis with the exception of a state legally mandated revenue recognition policy that is in conflict with GASB Statement No. 33 for the 2002-03 budget year. The amounts used in the calculation must be taken from the Budgetary Comparison Schedule – General Fund (Exhibit C-1) for districts reporting on the GASB 34 model. The reserve for excess surplus should be reported at the end of this Schedule.

Sample Excess Surplus Calculation for Anytown School District

Section 1

Calculation A: 2% Excess Surplus:

Districts receiving additional Abbott v. Burke state aid in 2002-03 or 2003-04 are required to complete this calculation using 2% on line A10.

2002-03 Total General Fund Expenditures Reported on Exhibit (Exhibit C-1)	\$ _____	(A)	
Less: Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2	\$ _____	(A1)	
2002-03 Adjusted General Fund & Other State Expenditures [(A)-(A1)]	\$ _____	(A2)	
Decreased by:			
On-Behalf TPAF Pension & Social Security Assets Acquired Under Capital Leases:	\$ _____	(A3)	
General Fund 10 Assets Acquired Under Capital Leases reported on Exhibit C-1a	\$ _____	(A4)	
Add: General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases:			
Assets Acquired Under Capital Leases in Fund 15 reported on Exhibit C-1a	\$ _____	(A5)	
Combined General Fund Contribution & State Resources % of Fund 15 Resources Reported on Exhibit D-2	_____ %	(A6)	
General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases [(A5)*(A6)]	\$ _____	(A7)	
Total Assets Acquired Under Capital Leases [(A4)+(A7)]	\$ _____	(A8)	
Adjusted 2002-03 General Fund Expenditures [(A2)-(A3)-(A8)]	\$ _____	(A9)	
2% of Adjusted 2002-03 General Fund Expenditures [(A9) times .02]	\$ _____	(A10)	
Enter Greater of (A10) or \$75,000	\$ _____	(A11)	
Increased by: Allowable Adjustment	\$ _____	(K)	
Maximum Unreserved/Undesignated Fund Balance [(A11)+(K)]	\$ _____	(M)	

Line	<u>Instructions for Calculation A - GASB 34 Exhibit References</u>
(A)	The total combined general fund expenditures (Funds 11-13 plus Fund 15) reported in the actual fund column of the <i>Budgetary Comparison Schedule – General Fund</i> (Exhibit C-1). Note this is a balance based on budgetary amounts.
(A1)	The total Fund 15 expenditures allocated to restricted federal resources reported on the district-wide <i>Schedule of Expenditures Allocated by Resource Type – Actual for the Fiscal Year Ended June 30, 2003</i> (Exhibit D-2).
(A2)	Subtract line (A1) from line (A). This results in the total amount of general fund expenditures being used to calculate the maximum unreserved/undesignated fund balance for an Abbott district.
(A3)	The sum of the non-budgeted TPAF pension on-behalf payment plus the non-budgeted TPAF social security reimbursement reported in the State Sources section of the <i>Budgetary Comparison Schedule – General Fund</i> (Exhibit C-1).
(A4)	The total Fund 10 assets acquired under capital leases amount is obtained from the Actual Operating Fund column of the <i>Combining Budgetary Comparison Schedule – General Fund</i> (Exhibit C-1a).
(A5)	The Fund 15 assets acquired under capital leases obtained from the Actual Blended Resource Fund column of the <i>Combining Budgetary Comparison Schedule – General Fund</i> (Exhibit C-1a).
(A6)	The percentage of the overall district-wide Fund 15 expenditures, which were funded with general fund contribution or state resources. This percentage is obtained from the line entitled “Combined General Fund Contribution & State Resources” on the district-wide <i>Blended Resource Fund 15 - Schedule of Expenditures Allocated by Resource Type – Actual</i> (Exhibit D-2).
(A7)	The general fund and state resources portion of Fund 15 assets acquired under capital leases and is determined by multiplying the total Fund 15 assets acquired under capital leases reported on line (A5), by the combined general fund contribution and state resources percentage reported on line (A6).
(A8)	The total assets acquired under capital leases with general fund contribution and state resources. Line (A8) is the sum of lines (A4) and (A7).
(A9)	The total adjusted expenditures upon which the maximum unreserved/undesignated fund balance is calculated; the result of line (A2) minus line (A3) minus line (A8).
(A10)	This line represents 2 percent of general fund expenditures and is calculated by multiplying line (A9) by 2 percent. If a district is receiving additional Abbott v. Burke state aid in 2003-04, this calculation MUST be completed at June 30, 2003 using 2%.
(A11)	The maximum allowable amount of unreserved/undesignated fund balance, prior to allowable adjustments.
(K)	This line is calculated in Section 3 of the excess surplus calculations.
(M)	The total maximum allowable unreserved/undesignated fund balance for a district receiving additional Abbott v. Burke state aid. This amount is calculated here as line (A11) plus line (K).

Excess Surplus Calculation (continued)**Calculation B: 6% Calculation of Excess Surplus (2002-03 expenditures of \$100 million or less – line (B9))**

(This calculation is not to be completed by districts that received additional Abbott v. Burke state aid in 2002-03 or will receive additional Abbott v. Burke state aid in 2003-04.)

2002-03 Total General Fund Expenditures Reported on Exhibit C-1	\$ _____	(B)
Less: Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2	\$ _____	(B1)
<hr/>		
2002-03 Adjusted General Fund & Other State Expenditures [(B)-(B1)]	\$ _____	(B2)
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ _____	(B3)
Assets Acquired Under Capital Leases:		
General Fund 10 Assets Acquired Under Capital Leases Reported on Exhibit C-1a	\$ _____	(B4)
Add: General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases:		
Assets Acquired Under Capital Leases in Fund 15 Reported on Exhibit C-1a	\$ _____	(B5)
Combined General Fund Contribution & State Resources % of Fund 15 Resources Reported on Exhibit D-2	_____ %	(B6)
General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases [(B5)*(B6)]	\$ _____	(B7)
Total Assets Acquired Under Capital Leases [(B4)+(B7)]	\$ _____	(B8)
Adjusted 2002-03 General Fund Expenditures [(B2)-(B3)-(B8)]	\$ _____	(B9)
6% of Adjusted 2002-03 General Fund Expenditures [(B9) times .06]	\$ _____	(B10)
Enter Greater of (B10) or \$75,000	\$ _____	(B11)
Increased by: Allowable Adjustment *	\$ _____	(K)
Maximum Unreserved/Undesignated Fund Balance [(B11)+(K)]	\$ _____	(M)

Excess Surplus Calculation (continued)

Calculation C: 6% Calculation of Excess Surplus (2002-03 expenditures greater than \$100 million – line (B9)) *(This calculation is not to be competed by districts that received additional Abbott v. Burke state aid in 2002-03 or will receive additional Abbott v. Burke state aid in 2003-04.)*

2002-03 Total General Fund Expenditures Reported on Exhibit C-1	\$ _____	(B)
Less: Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2	\$ _____	(B1)
2002-03 Adjusted General Fund & Other State Expenditures [(C)-(C1)]	\$ _____	(B2)
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ _____	(B3)
Assets Acquired Under Capital Leases: General Fund 10 Assets Acquired Under Capital Leases Reported on Exhibit C-1a	\$ _____	(B4)
Add: General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases: Assets Acquired Under Capital Leases in Fund 15 Reported on Exhibit C-1a	\$ _____	(B5)
Combined General Fund & State Resources Contribution % of Fund 15 Resources Reported on Exhibit D-2	_____ %	(B6)
General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases [(B5)*(B6)]	\$ _____	(B7)
Total Assets Acquired Under Capital Leases [(B4)+(B7)]	\$ _____	(B8)
Adjusted 2002-03 General Fund Expenditures [(B2)-(B3)-(B8)]	\$ _____	(B9)
2002-03 General Fund Expenditures in Excess of \$100 Million [(B9) minus \$100,000,000]	\$ _____	(B10)
3% of General Fund Expenditures in Excess of \$100 Million [(B10) times .03]	\$ _____	(B11)
(B11) Plus \$6,000,000	\$ _____	(B12)
Increased by: Allowable Adjustment *	\$ _____	(K)
Maximum Unreserved/Undesignated Fund Balance [(B12)+(K)]	\$ _____	(M)

Excess Surplus Calculation (continued)

Line	<u>Instructions for Calculation B and C - GASB 34 Exhibit References</u>
(B)	The total combined general fund expenditures (Funds 11-13 plus Fund 15) reported in the <i>Budgetary Comparison Schedule – General Fund</i> (Exhibit C-1).
(B1)	The total Fund 15 expenditures allocated to restricted federal resources reported on the district-wide <i>Schedule of Expenditures Allocated by Resource Type – Actual for the Fiscal Year Ended June 30, 2003</i> (Exhibit D-2).
(B2)	Subtract line (B1) from line (B). This results in the total amount of general fund expenditures used to calculate the maximum unreserved/undesignated fund balance for an Abbott district.
(B3)	The sum of the non-budged TPAF pension on-behalf payment plus the non-budged TPAF social security reimbursement reported in the State Sources section of the <i>Budgetary Comparison Schedule – General Fund</i> (Exhibit C-1).
(B4)	The total Fund 10 assets acquired under capital leases obtained from the actual Operating Fund column of the <i>Combining Budgetary Schedule – General Fund</i> (Exhibit C-1a).
(B5)	The total Fund 15 assets acquired under capital leases obtained from the Actual Blended Resource Fund column of the <i>Combining Budgetary Schedule – General Fund</i> (Exhibit C-1a).
(B6)	The percentage of overall district-wide Fund 15 expenditures, funded with general fund contribution or state resources. This percentage is obtained from the “Combined General Fund Contribution & State Resources” line on the district-wide <i>Blended Resource Fund 15 - Schedule of Expenditures Allocated by Resource Type – Actual</i> (Exhibit D-2).
(B7)	The general fund and state resources portion of Fund 15 assets acquired under capital leases is determined by multiplying the total Fund 15 assets acquired under capital leases reported on line (B5) by the combined general fund contribution and state resources percentage reported on line (B6).
(B8)	The total assets acquired under capital leases with general fund contribution and state resources. Line (B8) is the sum of lines (B4) and (B7).
(B9)	The total adjusted expenditures upon which the maximum unreserved/undesignated fund balance is calculated; the result of line (B2) minus line (B3) minus line (B8).
(B10)	Calculation B - This line represents 6 percent of general fund expenditures calculated by multiplying the preceding line (B9) by 6 percent.
(B10)	Calculation C - This line is the amount of general fund expenditures in excess of \$100 million and is calculated as line (B9) minus \$100 million.
(B11)	Calculation B This line is the maximum allowable amount of unreserved/undesignated fund balance, prior to allowable adjustments.

Line **Instructions for Calculation B and C - GASB 34 Exhibit References**

- (B11) Calculation C - This line represents the 3% of general fund expenditures in excess of \$100 million to be included in the maximum unreserved/undesignated fund balance and is calculated as line (B10) multiplies by 3 percent.
- (B12) Only on Calculation C - This line is the maximum allowable amount of unreserved/undesignated fund balance, prior to allowable adjustments and is calculated as line B11c plus \$6,000,000.
- (K) This line is calculated in Section 3 of the excess surplus calculations.
- (M) The total maximum allowable unreserved/undesignated fund balance is calculated here as line B11 plus line (K).

SECTION 2:

Total General Fund – Fund Balances at June 30, 2003	\$_____	(C)
Decreased by:		
Reserved for Encumbrances	\$_____	(C1)
Legally Restricted – Designated for Subsequent Year’s Expenditures	\$_____	(C2)
Excess Surplus – Designated for Subsequent Year’s Expenditures **	\$_____	(C3)
Other Reserved Fund Balances	\$_____	(C4)
Unreserved – Designated for Subsequent Year’s Expenditures	\$_____	(C5)
Total Unreserved/Undesignated Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$_____	(U)

SECTION 2 Instructions:

- Line
- (C) The total general fund balance at June 30, 2003 (Fund 10 plus Fund 15) per the *Budgetary Comparison Schedule* (Exhibit C-1).
- (C1) The total general fund balance reserved for encumbrances at June 30, 2003 (Fund 10 plus Fund 15).
- (C2) The amount of general fund balance (Fund 10 plus Fund 15) legally restricted for subsequent year’s expenditures. This amount is to be appropriated in the 2003-04 general fund budget.

- (C3) The June 30, 2002 excess surplus amount. This amount must be included in the Audit Summary Worksheet Line 10025, and appropriated in the 2003-04 general fund budget.
- (C4) Other reserved fund balances. (Such as Adult Ed. Programs, maintenance reserve, etc.)
- (C5) The unreserved fund balance designated for subsequent year's expenditures. This amount is to be appropriated in the 2003-04 general fund budget.
- (U) The total unreserved undesignated fund balance at June 30, 2003. This amount is determined by subtracting lines (C1), (C2), (C3), (C4) and (C5) from line (C). This is the amount that will be compared to the maximum unreserved/undesignated fund balance reported on line (M) to determine whether an excess surplus situation exists at June 30, 2003.

SECTION 3:

Reserved Fund balance – Excess Surplus ***[(U)-(M)] IF NEGATIVE ENTER-0 \$_____ (E)

Recapitulation of Excess Surplus as of June 30, 2003

Reserved Excess Surplus – Designated for Subsequent Year's Expenditures \$_____ (C3)
**

Reserved Excess Surplus *** [(E)] \$_____ (E)

Total [(C3) + (E)] \$_____ (D)

- * This adjustment line (as detailed below) is to be utilized for Impact Aid, Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10) and Extraordinary Aid if applicable (Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid.)

Detail of Allowable Adjustments

Impact Aid \$_____ (H)

Sale & Lease-back \$_____ (I)

Extraordinary Aid \$_____ (J)

Total Adjustments [(H)+(I)+(J)] \$_____ (K)

- ** This amount represents the June 30, 2002 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 10025. Districts that received additional Abbott v. Burke state aid in 2002-03 should not have an amount on this line. Only districts that did not received additional Abbott v. Burke state aid in 2002-03 would have an amount on this line at June 30, 2003. If the district received additional Abbott v. Burke state aid in 2002-03, the June 30, 2002 excess surplus was required to be budgeted in 2002-03.

- *** Amount must agree with the June 30, 2003 CAFR and Audit Summary Worksheet Line 10024. Abbott districts receiving additional Abbott v. Burke state aid in 2003-04 must budget excess

surplus generated at June 30, 2003 in 2003-04.

SECTION 3 Instructions:

Line

- (E) This line is calculated as line (U) minus line (M) and represents the excess surplus at June 30, 2003, which will be reported in the CAFR and on Audit Summary Worksheet Line 10024. If the result of subtracting line (M) from line (U) is negative, then zero should be entered on this line. Excess surplus generated at June 30, 2003 is required to be budgeted in 2004-05 if the district is not requesting additional Abbott v. Burke state aid in 2003-04. If the district is requesting additional Abbott v. Burke state aid in 2003-04, excess surplus generated at June 30, 2003 must be calculated using the 2% calculation and must be budgeted in 2003-04.

Recapitulation of Excess Surplus as of June 30, 2003

Line

- (C3) Line (C3) represents excess surplus generated at June 30, 2002 and should be included on the 2002-03 Audit Summary Worksheet Line 10025. This amount was to be appropriated in the 2003-04 general fund budget unless the district received additional Abbott v. Burke aid. Districts that received additional Abbott v. Burke state aid in 2002-03 should not have an amount on this line. This is the same as line (C3) included in Section 2 above. Only districts that did not received additional Abbott v. Burke state aid in 2002-03 would have an amount on this line at June 30, 2003. If the district received additional Abbott v. Burke state aid in 2002-03, the June 30, 2002 excess surplus was required to be budgeted in 2002-03.
- (E) This line represents the excess surplus generated at June 30, 2003 and must agree with the June 30, 2003 CAFR and be reported in the 2002-03 Audit Summary Worksheet Line 10024. Those districts which received additional Abbott v. Burke aid must budget excess surplus generated at June 30, 2003 in 2003-04.
- (D) Line (D) represents the sum of the June 30, 2002 and June 30, 2003 excess surplus.

Detail of Allowable Adjustments

Line

- (H) Line H represents the amount of Impact Aid received by the district during 2002-03. This amount is obtained from the line entitled "Federal Sources: PL 81-874(Impact Aid)" on the *Comparative Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual* (Exhibit C-1a).
- (I) Line I represents the proceeds realized from the sale-lease back of textbooks and non-consumable instructional materials during the current year, and is excluded from the calculation of excess undesignated general fund balance. See The Audit Program Section II-10.7 for a more detailed discussion of this adjustment.
- (J) Line J represents the extraordinary aid received by the district in 2002-03 and excluded from the excess surplus calculation in the current year. This amount can **only** be excluded from the excess surplus calculation if the district can clearly document that they did not budget this additional aid during the 2002-03 fiscal year for which they filed an application. See The

Audit Program Section II-10.3 for a more detailed discussion of this adjustment.

- (K) Line (K) is the sum of lines (H), (I) and (J) and represents the total allowable adjustment to increase the maximum unreserved/undesignated fund balance by.

TPAF AND FICA REIMBURSEMENT FOR WSR SCHOOLS

N.J.S.A. 18A:66-90 requires each public employer (school district) to reimburse the State for the amount of TPAF and social security contributions paid by the State on behalf of the district for contractual teacher salaries charged to federally funded programs. This reimbursement, together with supporting documentation prescribed by the Director of Pensions, must be remitted to the Department of Education within 90 days after the close of the fiscal year.

The implementation of WSR, and the blending of federal, state and local funds in the school-based budget recorded in Fund 15, necessitates a calculation of the salary amounts paid in Fund 15, which are attributable to federal sources. This calculation is necessary to enable the school district to remit the correct amount of funds to the Department of Education. This calculation pertains to schools implementing school-based budgeting for the year ended June 30, 2003 and is detailed below and illustrated at the Appendix C-1 series of this Addendum.

Procedures to Calculate TPAF and Employer Share of Social Security & Medicare Charged to Federal Programs in a WSR School to be Remitted to the Department of Education in Compliance with *N.J.S.A.* 18A:66-90

- 1.) Perform a payroll sort from the district's payroll system, by school, detailing the teachers at each school and each teacher's contracted salaries paid during the year. (This amount is to be contracted base wages only and should not include stipends or extra-curricular activity payments.) This amount should be broken out between salaries paid from July 1, 2002 through December 31, 2002 and salaries paid from January 1, 2003 through June 30, 2003. Salaries paid for the calendar year ended December 31, 2002 will also be needed to calculate the social security and Medicare portions of FICA salaries over and under \$84,900 for the 2002 calendar year.
- 2.) The total fiscal year contractual salaries must then be broken down by calendar year to determine the amount paid which is less than or equal to \$84,900 for the 2002 calendar year; the amount which exceeds \$84,900 for the 2002 calendar year; the amount paid which is less than or equal to \$87,000 for the 2003 calendar year; and the amount which exceeds \$87,000 for the 2003 calendar year. This information is necessary to calculate the social security and Medicare portions of FICA. This is most easily accomplished by sorting the information into two columns for each calendar year and totaling the columns.
- 3.) The amounts determined in 2.) above need to be accumulated and multiplied by the Title 1 percentage calculated on the current year *Schedule of Expenditures Allocated by Resource Type* to determine the Title 1 proportionate share of salaries. The amounts determined in 2.) above then need to be accumulated and multiplied by the "all other federal programs" rate to determine the all other federal programs proportionate share of salaries. The all other federal programs rate is the sum of the percentages calculated on the current year *Schedule of Expenditures Allocated by Resource Type* for all federal programs excluding Title 1.
- 4.) The reimbursement amounts will also need to be calculated at the school level to enable the reimbursements to be recorded in the individual school's Fund 15. The social security, Medicare and TPAF rates are then applied to the salary amounts determined in steps two and three above to calculate the social security, Medicare and TPAF reimbursements due to the Department of Education for each WSR school.
- 5.) Steps one through four need to be performed for each school.

- 6.) The federal program salaries calculated for each school in steps one through five will then be entered onto the worksheet entitled *WSR Reimbursement Calculation to Comply with N.J.S.A. 18A:66-90* in the applicable column and should be included in the salary amounts reported on the reimbursement form entitled, *Reimbursement to State of New Jersey – N.J.S.A. 18A:66-90*. The district should retain the worksheet and the individual school calculations as supporting documentation of the WSR salaries included in the amounts reported on the reimbursement form. The district's public school accountant will need to verify these calculations prior to signing off on the reimbursement form.

PROCEDURES FOR AUDITING FUND 15 EXPENDITURES

Introduction/Overview of Fund 15/Schoolwide Program Status

As a result of the May 21, 1998 Abbott v. Burke Supreme Court decision, each Abbott school district was required by the 2001-02 school year to implement Whole School Reform (WSR) in each of its elementary schools. This addendum addresses audit and reporting issues specific to Abbott school districts implementing WSR and preparing school-based budgets.

The requirement for school-based budgeting necessitated the creation of a Blended Resource Fund (Fund 15) for the school-level data. Due to this change, the general fund in an Abbott school district includes Funds 11 –13, which collectively represent the operating fund of the district and a Fund 15 for each WSR school. Fund 15 is school-level accounting while Funds 11 – 13 are district-level data.

Fund 15 expenditures are funded by various revenue sources and cannot be specifically identified to a particular revenue source. ESEA, as amended by The No Child Left Behind Act of 2001 (NCLB) permits local educational agencies to consolidate and use funds together with other federal, state and local funds, in order to upgrade the entire educational program of a school that serves an eligible school attendance area (NCLB ¶1114). If a school is not operating a Title 1 schoolwide program but is operating a Title 1, Targeted Assistance Program, federal funds cannot be combined and must be used only for programs that provide services to eligible children identified as having the greatest need for special assistance (NCLB ¶1115). In New Jersey, the blending of state and local resources with federal resources in a schoolwide program in Abbott school districts is permitted by *N.J.A.C. 6A:24-4.4(a)4* which states, “Except where prohibited by Federal law, all local, State and Federal funds shall be considered general funds available for WSR activities, notwithstanding any restrictions that would otherwise apply.”

It is important that auditors are cognizant of the federal laws permitting blending of federal resources. An overview of the basics of a schoolwide program, including the federal program funds that can be blended in a schoolwide program, is presented as part of this document in the section entitled “Schoolwide Programs.” Refer to that section also for links to federal and state web sites are included in that section.

Only eligible Title I schools receiving Title I funds may operate schoolwide programs.

Abbott school districts, which do not have approved Title 1 schoolwide program status, are not permitted to blend federal funds, but are required to blend certain state and local funds as permitted by *N.J.A.C. 6A:24-4.4(a)4*. The allocations and reporting requirements detailed in this document should be applied to the blended state and local resources in Fund 15 in schools that do not have schoolwide status in the same manner as they are applied to the blended federal, state and local resources in schools that do have schoolwide status.

The WSR plan must identify the federal, state, and local programs that are to be combined and the resources to be used to support the WSR program. The auditor should review the individual WSR plans to identify which funds each school identified as funds to be combined to support the WSR program. A school must be operating an approved Title 1 schoolwide program in order to blend federal funds with state and local funds. If a school does not have approved schoolwide status, the school can only blend state and local funds in their school-based budgets. New Jersey Department of Education requires all WSR schools to record school-based budget expenditures in Fund 15. Funds are viewed as combined at the time they are expended from a particular program account for a WSR program expense.

AUDITOR TESTING REQUIREMENTS

OMB A-133 Compliance & Reporting:

A WSR program is not a separate federal program as defined in OMB A-133, or a separate State program. Therefore, expenditures incurred in WSR programs must be included in the total expenditures of the program contributing the funds when determining Type A and Type B Programs for Single Audit testing selection determination. Since schoolwide programs are not separate federal programs as defined in OMB Circular A-133, amounts used in schoolwide programs should be included in the total expenditures of the program contributing the funds when determining Type A Programs and in the *Schedule of Expenditure of Federal Awards*. The March 2003 OMB Compliance Supplement encourages showing in a footnote, by program, the amounts used in schoolwide programs. **Abbott school district auditors should review the OMB A-133 Compliance Supplement for specific audit requirements of federal programs as well as audit requirements applicable to schoolwide programs.** The March 2003 compliance supplement can be found at:

http://www.whitehouse.gov/omb/circulars/a133_compliance/03/03toc.html

The *Schedules of Expenditures of Federal Awards and State Financial Assistance* (Exhibits K-3 and K-4, respectively), as well as the expenditures reported on the *DEPA, ECPA and DLNA Restricted Aid Schedules* (Exhibits E-2 through E-4), and the *Combining Schedule of Revenues and Expenditures, Special Revenue Fund – Budgetary Basis* (Exhibit E-1) include the total expenditures of the program funds for all district schools on the budgetary basis and therefore include encumbrances as expenditures. Expenditures incurred in Fund 15 are recorded on the GAAP basis, similar to the General Fund. In order to include the WSR expenditures in these schedules, the GAAP expenditures must be adjusted for encumbrances to determine the budgetary basis of these expenditures.

Fund 15 - GAAP Basis Expenditure Testing

The district is required to prepare a *Schedule of Blended Expenditures – Budget and Actual* (Exhibit D-3) for each WSR school. This schedule accounts for all Fund 15 GAAP basis expenditures for a particular school. The auditor should obtain the detailed general ledger from which these statements were prepared, ensure that the amounts included in the schedules agree with the general ledger and then select specific expenditures for testing from the general ledger. Each expenditure tested is paid from the combined/blended funds, and therefore is paid for in part by each funding source combined/blended in Fund 15 and cannot be specifically identified to a particular funding source. Each expenditure selected for testing must be analyzed to determine whether it is consistent with the approved WSR plan for that school. The auditor must perform sufficient detailed expenditure testing to ensure that the GAAP expenditures recorded in Fund 15 are valid expenditures consistent with the approved WSR plan at that school. This procedure should be performed to test expenditures in all WSR schools in the district.

Fund 15 – Blended Resources Testing:

A school **must** be operating an approved Title 1 schoolwide program in order to blend federal funds. If a school implementing school based budgeting does not have approved Title 1 schoolwide status, they can only blend state and local funds in their school-based budgets. *N.J.A.C. 6A:23-2.3* requires each Abbott school district board of education to apply for schoolwide status under Title 1, Part A of the Elementary and Secondary Education Act of 1965 (ESEA), as amended by NCLB, for each eligible school in the district or submit a Federal waiver request to obtain permission to combine Federal, State and local funds.

The auditor should review the district's approved FY 2003 NCLB Consolidated Application (the Application) to determine which schools within the district have Title 1 approved schoolwide program status. The listing of Title 1 schools identified by Program Approach Code (Targeted Assistance/TAS vs. Schoolwide Program/SWP) can be found on page 15 of the Application. This page is entitled "Title I Eligibility of School Attendance Areas." Only schools with approved schoolwide status may blend federal funds with state and local funds.

The auditor should review the revenues transferred to Fund 15 to ensure that they were identified as revenues to be used to implement WSR in the school's approved WSR plan. The auditor should also ensure the amounts from each federal program blended in the individual school-based budgets agree with the approved FY 2003 NCLB Consolidated Application. The listing of federal funds by funding source approved for use in each schoolwide program can be found on the page entitled, "Fiscal Year 2003 New Jersey State Department of Education NCLB LEA Consolidated Formula Application Budget Summary", of the Application. This procedure should be performed to test revenues in all WSR schools in the district.

Once the auditor has determined that the resources transferred to Fund 15 were identified as resources used to implement WSR in the school's approved WSR plan; that the expenditures reported in Fund 15 are valid expenditures consistent with the approved WSR plan and recorded any adjustments necessary to reflect the effect of errors noted during testing, the auditor should test the district's calculations of allocated GAAP expenditures and allocated GAAP surplus/carryover to ensure that they are calculated in accordance with the instructions provided by the Department. If the auditor recorded any Fund 15 adjustments, the district's allocated GAAP expenditures and GAAP surplus/carryover should be recalculated. The districts received instructions on how to perform this allocation as part of this document in the section entitled "Preparing the Blended Resource Fund 15 – Schedule of Expenditures Allocated by Resource Type – Actual (Exhibit D-2 series)."

Fund 15 – Budgetary Basis Encumbrance Testing

Expenditures incurred in Fund 15 are recorded on the GAAP basis. Expenditures included in the *DEPA, ECPA and DLNA Restricted Aid Schedules* (Exhibits E-2 through E-4), the *Combining Schedule of Revenues and Expenditures Special Revenue Fund, – Budgetary Basis* (Exhibit E-1) and the *Schedules of Expenditures of Federal Awards and State Financial Assistance* (Exhibits K-3 and K-4) are reported on the budgetary basis and therefore include encumbrances as expenditures. The amounts calculated on the *Schedule of Expenditures Allocated by Resource Type – Actual* (Exhibit D-2) are on the GAAP basis and will need to be adjusted for any encumbrances when including those expenditures in these schedules.

The auditor should test the encumbrances recorded at each school to ensure that the purchase orders encumbered are valid encumbrances consistent with the approved WSR plan. Once the auditor has determined that the encumbrances for each school are valid, and recorded any adjustments necessary to reflect the effect of errors noted during testing, the auditor should test the district's calculations of allocated encumbrances to ensure that they are calculated in accordance with the instructions provided by the Department. If the auditor recorded any encumbrance adjustments, the district's encumbrances should be reallocated. The districts received instructions on how to perform this allocation as part of this document in the section entitled "Combining Schedule of Revenues and Expenditures, Special Revenue Fund – Budgetary Basis (Exhibit E-1)."

A sample encumbrance calculation (Exhibit D-2 Worksheet) has been included in this document to illustrate the calculations and the reporting of the amounts on Exhibit D-2. This worksheet should not be included in the CAFR.

The sample encumbrance calculation includes an allocation of encumbrances to the Combined General Fund Contribution and State Resources. This was done to illustrate how the total encumbrances are allocated based on the “% of Total Resources”. **The encumbrances allocated to the Combined General Fund Contribution & State Resources will be included in the CAFR in Fund 15 as deferred revenue on the Balance Sheet. Encumbrances are not reported as expenditures in Fund 15.**

Once the auditor has gained assurance that the Fund 15 expenditures and encumbrances are valid expenditures and encumbrances consistent with the approved WSR plan and the allocations of the total Fund 15 GAAP basis expenditures and encumbrances are correct, the auditor must ensure the correct amount of WSR budgetary expenditures has been included in the *Schedules of Federal Awards and State Financial Assistance* (Exhibits K-3 and K-4) for each restricted federal or state program, the *Special Revenue Fund – Combining Schedule of Revenues and Expenditures – Budgetary Basis* (Exhibit C-2) and the *DEPA, ECPA and DLNA Restricted Aid Schedules* (Exhibits E-2 through E-4). The WSR expenditures included on the *Schedules of Federal Awards and State Financial Assistance* for each restricted federal or state aid the *Special Revenue Fund – Combining Schedule of Revenues and Expenditures – Budgetary Basis and the DEPA, ECPA and DLNA Restricted Aid Schedules* should be the total of the GAAP basis expenditures allocated to the particular restricted aid plus the total current year encumbrances allocated to the particular restricted aid less the total prior year encumbrances allocated to the particular restricted state aid at all WSR schools in the district.

SPECIAL EDUCATION MEDICAID INITIATIVE (SEMI) PROGRAM AND MEDICAID ADMINISTRATIVE CLAIMING

The SEMI program is a federal program, which allows the State of New Jersey and its LEAs to bill for certain special education services such as physical therapy, occupational therapy, speech therapy and specialized transportation through the SEMI system. SEMI is limited to services provided in education settings under the auspices of the Commissioner of Education. Districts were advised by the NJ Department of the Treasury letter of February 25, 2003 of two separate and distinct school based Medicaid reimbursement programs: Direct Service – Special Education Medicaid Initiative (SEMI) and Medicaid Administrative Claiming. The State’s billing vendor for both programs is MAXIMUS. Districts were also reminded by NJ Department of the Treasury letter in June 2003 of the requirement to maintain certain documentation to support these claims. The SEMI Handbook outlines the procedures and required documentation.

Since SEMI generates revenues for the State of New Jersey and its LEAs, auditors should perform the following detailed audit procedures to assess the districts’ efforts in maximizing this resource:

- Auditors should verify that districts have enrolled in the SEMI program, and have appointed a SEMI coordinator. The auditor should also review the district’s internal control procedures which identify and encourage the registration of pupils during the IEP conference, the initial evaluation, and the initial school registration. District procedures for obtaining parental consent for eligible pupils should also be reviewed by the auditor. Periodic reevaluation of registered pupils should be verified by the auditor.
- Since federal regulations provide a twelve-month window of time to file claims for service, auditors should verify that districts are submitting claims for reimbursement to the Billing Unit on a monthly basis, using the Turnaround Documents provided by the Billing Unit. These claims must be supported by detailed records of the services provided, along with parental consent.

- Auditors should give consideration to these programs when performing Single Audit procedures. Auditors should refer to the section of the federal OMB -133 Compliance Supplement for CFDA #93.778 for the Medicaid Assistance program requirements which are applicable to both the SEMI and the administrative claim programs.

The Auditor's Questionnaire 2002-03 included in The Audit Program, contains question #20 (reprinted below for convenience) pertaining to whether the district has maintained the required documentation for the SEMI and Medicaid Administrative Claiming programs. In addition, question 20 –ABB included below should be incorporated in the Auditor's Questionnaire.

- 20 Has the district maintained supporting documentation for claims made for the SEMI or the Medicaid Administrative Claiming programs? The following would be required:
- Are reevaluations of the students in the SEMI program performed at least annually? Yes _____ No _____
 - Are parental consent forms available in the student file? Yes _____ No _____
 - Are IEPs available for claims made under the SEMI program? Yes _____ No _____

20-ABB Is the district appropriately assisting the State in maximizing federal participation pursuant to section 7 of P.L. 1968, c.413 (C.30:4D-7) (SEMI Medicaid Program)? Consider the following:

- Has the district appointed a SEMI Coordinator? Yes _____ No _____
- Has the district applied for participation in the SEMI program with the Department of Education, Medicaid and DMG-MAXIMUS? Yes _____ No _____
- Do the IEPs identify services which are eligible for reimbursement under the SEMI program? Yes _____ No _____
- Does the district have a process for capturing new students eligible for the SEMI program? Yes _____ No _____
- Does the district have a process for acquiring parental consent for students eligible for the SEMI program? Yes _____ No _____
- Does the district have a process for documenting expenditures eligible for reimbursement under the SEMI program? Yes _____ No _____
- Has the district been submitting Turnaround Documents for reimbursement on a monthly basis? Yes _____ No _____



State of New Jersey

DEPARTMENT OF EDUCATION
PO Box 500
TRENTON NJ 08625-0500

JAMES E. MCGREEVEY
Governor

WILLIAM L. LIBRERA
Commissioner

ATTENTION!
No Child Left Behind
Abbott Information

July 22, 2002

Dear Abbott Chief School Administrator:

The purpose of this letter is to provide clarification of several questions that have been raised concerning Abbott districts' Fiscal Year (FY) 2003 *No Child Left Behind* (NCLB) Consolidated Formula Subgrant which includes:

- Title I, Part A: *Improving Basic Programs Operated by Local Education Agencies*
- Title I, Part A: *School Improvement*
- Title I, Part D: *Prevention and Intervention Programs for Children and Youth who are Neglected, Delinquent, or At-Risk*
- Title II, Part A: *Teacher and Principal Training and Recruiting Fund*
- Title II, Part D: *Enhancing Education Through Technology*
- Title III, Part A: *Grants and Subgrants for English Language Acquisition and Language Enhancement*
- Title IV, Part A: *Safe and Drug-Free Schools and Communities Act*
- Title V, Part A: *Innovative Programs*

The accounting procedures for these federal funds have been revised for FY 2003. Schools should include the same level of FY 2002 Improving America's Schools Act federal funds in their revised 2002-2003 school-based budgets (Fund 15). All "increases" to federal funds allocated to LEAs and schools above the 2002 levels must be accounted for in the Special Revenue Fund (Fund 20). Allocated funds for all new programs included in FY 2003 NCLB are considered "increases" and are to be accounted for by program in Fund 20. All "increases" accounted for in Fund 20 must be used to support supplemental programs and services in addition to those specified in your revised school-based budgets.

FY 2003 NCLB application requirements for Abbott districts:

1. The FY 2002-2003 Whole School Reform Implementation Plans that were due in December 2001 will be accepted as the NCLB Schoolwide Program Plan for NCLB Fund 15 activities.

www.nj.gov/education

2. If applicable, a summary of any revisions to the FY 2002-2003 Whole School Reform Implementation Plans must be submitted with the FY 2003 NCLB application.
3. All Fund 20 activities (FY 2003 "increases," districtwide activities, schools not participating in Whole School Reform, schools ineligible for Title I, schools ineligible for Title I schoolwide status, Title I N&D services, private schools and Category I schools) must be included in the FY 2003 NCLB application.
4. For each Category I school, a separate FY 2003 NCLB Needs Assessment and Program Plan must also be completed. This serves as the school's school improvement plan.

The "FY 2003 NCLB Application Fact Sheet" is being developed and will be posted on the New Jersey Department of Education (NJDOE) Web site (www.state.nj.us/education; Select *grants*; Select *entitlement grants*; Select *No Child Left Behind*). The "Fact Sheet" includes items of importance that have been identified by LEAs and NJDOE staff. LEAs will be notified when this document is available on the Web.

Although, the NCLB application submission due date is August 1, 2002, due to this late guidance, the due date for Abbott districts will be extended to August 15, 2002. Please submit your original application to your NJDOE county office, a copy to the Office of Grants Management and one additional copy to the appropriate PIRC office.

Please forward this information to your NCLB Project Director and your Business Administrator. We wish you success in the development of the FY 2003 NCLB application and encourage your continuing efforts to coordinate these federal programs with your other federal and local programs to improve the academic achievement of all students.

Sincerely,



Gloria Hancock
Chief of Staff

GH/AC/mof

c: Commissioner William L. Librera
Dwight Pfennig
J. Michael Rush
Assistant Commissioners
NCLB Directors
Anne Corwell
Tina Dabrow
Eugenia Lawson
County Superintendents -
NCLB Advisory Council

No Child Left Behind FY 2003 Fact Sheets**Abbott Districts****I. Application Review**

1. Abbott district NCLB applications are due August 15, 2002.
2. The NCLB applications are reviewed by the Abbott Implementation Division (program and fiscal staff) in collaboration with the county office Education Specialist and Business Administrator. The Abbott Implementation Division has primary responsibility for the review process.
3. Requested revisions must be submitted by the district to the Abbott Implementation Division.
4. Final approval will be given by the NJDOE Office of Grants Management (OGM). Additional revisions may be requested by OGM prior to final approval.

II. Program Elements

1. For districts implementing schoolwide programs and blending federal, state, and local funds in Fund 15, the FY 2003 Whole School Reform (WSR) Implementation Plans for schools are accepted in lieu of an FY 2003 NCLB program plan. If applicable, a summary of revisions must be submitted with the FY 2003 NCLB application.
2. Abbott districts are required to complete an NCLB program plan for district-level activities, private schools, neglected and delinquent (N&D), and for the federal funds being used in Fund 20. All Fund 20 activities (FY 2003 "increases," districtwide activities, schools not implementing WSR, schools ineligible for Title I but receiving other Title services, schools ineligible for Title I schoolwide status, Title I N&D services, private schools, and Category I schools) must be included in the FY 2003 NCLB application.
3. All Title I instructional paraprofessionals must meet the new NCLB criteria for both targeted assistance and schoolwide programs. For schools with blended funds, all instructional paraprofessionals must be in compliance. (See the NCLB Reference Manual, Appendix A for more information on the new paraprofessional requirements.)
4. WSR model training is consistent with NCLB training (see the NCLB Reference Manual, Appendix A). District central office staff must work with schools to coordinate all professional development activities.
5. District central office staff must work closely with the school management teams and the NCLB collaborator group to plan, implement, and coordinate programs related to Abbott Implementation and the priority problems identified in the NCLB needs assessment.
6. The school and district must ensure that the intent of each NCLB program is being addressed when funds are blended in a school-based budget (Fund 15).

III. Schools in Need of Improvement (Category I)

1. LEAs must track Category I funds allocated in FY 2003 (\$100,000 or \$29,500) separately. Title I, Category I school improvement funds cannot be blended. These funds must be recorded in Fund 20 using a unique program code. See the Chart of Accounts guidance issued by the NJDOE Finance Office on July 25, 2002.
2. Each Category I school must submit an NCLB school improvement plan (NCLB needs assessment, priority problems, and program plan), which must include strategies and programs designed to close the achievement gap and a budget to account for the Category I funds.
3. Category I schools that did not receive school improvement funds in FY 2002 will receive an additional allocation of \$29,500 for FY 2003. Category I schools that received school improvement funds in FY 2002 will receive an additional allocation of \$100,000 in FY 2003.
4. Ten percent of the Category I school's Title I-A allocation must be allocated for professional development for that school. The NCLB school improvement plan must specify these activities.

5. Districts with Category I schools must set aside 5 percent of their Title I allocation for transportation services if needed for the intradistrict school choice option. Transportation services are guided by district policy. If these funds are not needed, they may be used for other Title I allowable activities.

IV. Fiscal Issues

1. Federal allocations were mailed to the Chief School Administrators on June 28, 2002.
2. Any additional FY 2003 federal funds in the subgrant over those received in FY 2002 must be accounted for in Fund 20 instead of Fund 15. (See accounting information included in the July 22, 2002, letter to Chief School Administrators from Gloria Hancock, Chief of Staff.)
3. Program activities must be in effect September 1, 2002 (at the beginning of the project period). Local or other funds must be used until the grant funds are received by the district.
4. The allocation notice lists specific funds for Category I schools. These funds must be included in Fund 20 and tracked separately.
5. Even though certain Abbott regulations have been relaxed, districts and schools should continue to blend the same amount of federal funds received in FY 2002 (see #2 above).
6. Districts are required to ensure that the intent of each of the federal programs is met, whenever federal funds are blended.
7. The district's central office is responsible for oversight in reviewing and approving FY 2003 school plans and budgets, regardless of blending.
8. Certain Titles permit funds to be used for field trip transportation, if the needs assessment and WSR plan support this activity. See the authorized activities for each Title in the *NCLB Reference Manual*, Appendix C for more information.
9. Districts whose Title I-A allocation is \$500,000 or more must expend at least 1 percent of their Title I-A funds for parental involvement activities. These activities may be provided on the school or district level. Districts, in consultation with the NCLB collaborator group and school management teams, must decide how much of this parent involvement allocation can be retained at the district level.
10. Parent involvement is inherent in whole school reform. If whole school reform schools have a district approved WSR Implementation Plan, these activities *must* take place. This meets the intent of the 1 percent set-aside for parental involvement and a set-aside for these schools is *not* required. As an alternative, the LEA may choose to set aside the 1 percent for parental involvement on a district level. The LEA would then provide the services and identify, track, and report the funds.
11. The Stevens Amendment requires that districts publicly report programs that are federally funded. Specifically, the report must clearly state the percentage of the total cost of the program that is financed by federal funds, the dollar amount of federal funds for the project, and the percentage or dollar amount of the total costs of the program funded by non-governmental sources. Because federal funds are blended in Abbott districts, all programs are considered federally funded and so must be addressed per Stevens Amendment requirements. Districts that do not comply with this amendment are in jeopardy of an audit exception.



State of New Jersey

DEPARTMENT OF EDUCATION
PO Box 500
TRENTON, NJ 08625-0500

CHRISTINE TODD WHITMAN
Governor

DAVID C. LESPE
Commissioner

November 6, 2000

TO: Abbott Districts Chief School Administrators
Abbott Districts School Business Administrators
Principals, First/Second Cohort Schools
Principals, Secondary Schools
School Management Team Chairpersons

FROM: Tom McMahon, Assistant Commissioner
Division of Finance

SUBJECT: Clarification and Amendment Transfer Approval Procedures to be Followed by Abbott Districts Outlined in the Memo from Assistant Commissioners McMahon and Anderson dated September 13, 2000

Beginning in the 2000-01 fiscal year, Abbott districts are required to obtain department approval for certain transfers. The attached summary clarifies and amends the transfer approval procedures to be followed by Abbott districts outlined in the memo from Assistant Commissioners McMahon and Anderson dated September 13, 2000. District level transfers are clarified and amended first followed by school account level transfers in the attached summary. District level and school level transfer requests may be submitted to the department through June 30. School level transfers from June 1 through June 30 will be accepted and approved for emergencies only. The department will review/approve all transfers within 10 working days upon receipt of the request.

Districts should complete the attached Request for Budget Transfer form for all transfers and obtain the required approval signatures. Districts should make copies of the attached blank forms for future use. A copy of each transfer request must be maintained on file at the district and at the school and be made available for audit.

If there are questions concerning these procedures, please contact the PIRC regional business manager for your district at the Program Improvement Regional Center (PIRC).

TM:SH:GridCheatSheetcoverletter

Attachments

c: Margretta Fairweather

Gloria Hancock

Maria Nuccetelli

✓Katie Attwood

Orlando Castro

Scott Henry

Susan Saravalli

County Superintendents

County School Business Administrators

Budget Managers

PIRC Managers

APPENDIX B-1

Clarification and Amendment of Account Transfers Requiring Department Approval

This summary is to clarify and amend the transfer approval procedures to be followed by Abbott districts outlined in the memo from Assistant Commissioners McMahon and Anderson dated September 13, 2000. District level transfers are clarified first followed by school account level transfers.

District Level Transfers Requiring Department Approval

July 1 through June 30

- ☐ All transfers from instructional accounts to non-instructional accounts
- ☐ All transfers from undesignated fund balance

State Operated School Districts

Submit transfer requests to the Internal Audit Department, which will approve transfers on behalf of the Department of Education.

Abbott Districts

Submit transfer requests to the PIRC regional fiscal manager who will approve transfers on behalf of the Department of Education.

Internal Audit and PIRC staff will have 10 working days from the date of receipt to review/approve transfers. If transfers are not returned to the district personnel within the 10 workday period, the transfer will be considered approved.

Transfer requests submitted to the department after June 30 will not be accepted and, therefore, are not approved transfers.

School Level Account Transfers Requiring Department Approval

July 1 through May 31

- ☐ All transfers from instructional accounts to non-instructional accounts
- ☐ All transfers to move staff, salaries and benefits from one location to another or between sub-functions if the total number of FTEs for location or sub-function is affected
- ☐ All transfers between sub-functions if either sub-function involved in the transaction is increased or decreased by more than a cumulative 10% of the original appropriations approved by the department

Example 1: Transfer of \$15,000

<u>Account Number</u>	<u>Budget Amount Before Transfer</u>	<u>Transfer Amount</u>	<u>Budget Amount After Transfer</u>
15-000-218-500	\$160,000	(\$15,000)	\$145,000
15-000-222-500	\$ 90,000	\$15,000	\$105,000
The transfer out of account 15-000-218-500 is 9.4% of the original budget amount, yet it is 16.7 % of the original budget amount of the account receiving the transfer, therefore, the transfer requires department approval.			

Example 2: Transfer of \$10,000

<u>Account Number</u>	<u>Budget Amount Before Transfer</u>	<u>Transfer Amount</u>	<u>Budget Amount After Transfer</u>
15-000-218-500	\$145,000	(\$10,000)	\$135,000
15-000-223-600	\$200,000	\$10,000	\$210,000
The transfer out of account 15-000-218-500 is 6.9% of the balance in the account before this transfer, but the cumulative transfers out of this account (\$15,000 + \$10,000) represent 15.6% of the original budget amount, therefore, this transfer requires department approval.			

State Operated School Districts

Submit transfer requests to the PIRC regional fiscal manager who will approve transfers on behalf of the Department of Education.

Internal Audit Department shall be copied on all transfer requests and transfer approvals.

Abbott Districts

Submit transfer requests to the PIRC regional fiscal manager who will approve transfers on behalf of the Department of Education.

The PIRC regional fiscal manager will have 10 working days from the date of receipt to review/approve transfers. If transfers are not returned to the district personnel within the 10 workday period, the transfers will be considered approved.

School Level Account Transfers Requiring DOE Approval

June 1 – June 30

No transfer will be accepted for review unless an emergency situation exists. If the district determines an emergency exists at the school level, the transfer request and statement of reason for the transfer is to be sent to Scott Henry, director, Fiscal Review and Improvement. Scott Henry will review/approve emergency transfers submitted between June 1 and June 30 within 10 working days from the date of receipt.

Transfers submitted to Scott Henry after June 30 will not be accepted and, therefore, are not approved transfers.

REQUEST FOR BUDGET TRANSFER

FISCAL YEAR ENDING _____

DISTRICT _____ COUNTY _____

SCHOOL _____

Please check the applicable line: ☐ District Budget ☐ School-Based Budget

In the space provided, describe the proposed transfer, including a clear explanation and rationale. Document the increases and decreases to the individual accounts on page two of this form.

Sign below on the appropriate line: The undersigned certify the proposed transfer will not affect implementation of any approved programs and services.

SUBSTANTIVE REVISION/TRANSFER:

School Principal (school-based transfer only)	Date
---	------

School Management Team Chairperson (school-based transfer only)	Date
---	------

Chief School Administrator	Date
----------------------------	------

School Business Administrator	Date
-------------------------------	------

Office of Program Review and Improvement	Date
--	------

Office of Fiscal Review and Improvement	Date
---	------

MINOR REVISION/TRANSFER:

School Principal (school-based transfer only)	Date
---	------

School Management Team Chairperson (school-based transfer only)	Date
---	------

Chief School Administrator	Date
----------------------------	------

School Business Administrator	Date
-------------------------------	------

Date of Board Resolution

Office of Program Review and Improvement	Date
--	------

Office of Fiscal Review and Improvement	Date
---	------

DEPARTMENT APPROVAL:

Transfer/Revision:	Approved	Not approved
--------------------	----------	--------------



State of New Jersey

DEPARTMENT OF EDUCATION
PO Box 500
TRENTON, NJ 08625-0500

CHRISTINE TODD WHITMAN
Governor

DAVID C. HESPI
Commissioner

September 13, 2000

TO: Abbott District Chief School Administrators
Abbott District School Business Administrators
Principals, First/Second Cohort Schools
Principals, Secondary Schools
School Management Team Chairpersons

FROM: Barbara Anderson, Assistant Commissioner
Tom McMahon, Assistant Commissioner

SUBJECT: Procedures for the Review and Approval of a Budget Transfer/Revision for District Budgets and School-Based Budgets for First and Second Cohort Schools for the 2000-01 Fiscal Year.

Beginning in the 2000-01 fiscal year, Abbott districts will be required to obtain department approval of all transfers from instructional to non-instructional accounts, transfers from undesignated fund balance to operating accounts as well as transfers affecting school-based budgets. This memorandum describes the procedures for requesting these transfers for the 2000-01 school year.

District Budget Transfer Requests

The procedures below describe a transfer/revision as either minor or substantive. A minor revision is defined as one that does not shift more than a cumulative 10 percent of the funds allocated by function code within a program for either account involved in the transaction. Minor transfers do not require prior departmental approval. A substantive revision is defined as one that transfers more than a cumulative 10 percent of the funds allocated by function code within a program for either account involved in the transaction or any transfer from instructional to non-instructional accounts. All transfers from undesignated fund balance to operating accounts will also be considered substantive and require prior departmental approval.

The attached Transfer Request Form is to be used by districts to request DOE permission for transfers/revisions. This form must be completed for all transfers/revisions to notify the DOE of the transaction, and, in some cases, to document the approval of the transfer. The request form also requires certification by the chief school administrator, school business administrator, principal and SMT chairperson, as appropriate, that the transfer will not affect the implementation of any approved programs or services.

Each transfer/revision, whether minor or substantive, requires approval by the local board of education. Transfer requests from a state-operated school district require approval by the state district superintendent. As stated above, a minor transfer/revision does not require prior Department of Education approval, but the transaction will be reviewed by the department subsequent to board ratification. When submitting the request form for a minor transfer/revision, the supporting documentation must include a copy of the board minutes of the meeting at which the board of education approved the transfer/revision. A substantive transfer/revision requires prior approval from the department and the request must also include the supporting documentation, which substantiates ratification by the board for the action to be taken pending department approval.

APPENDIX B

The request form includes:

- Justification for*
- Description of the transfer/revision
 - Required signatures of the:
 - chief school administrator
 - district school business administrator
 - principal (school-based transfers only)
 - school management team chairperson (school-based transfers only)
 - Department of Education
 - Original and revised appropriation amounts for the accounts to/from which the transfer/revision is being made
 - Appropriation for each of the impacted accounts after the transfer/revision

The description of the transfer/revision must provide a detailed explanation and rationale for the requested transfer/revision. The explanation and rationale, along with any other pertinent information, will be used in determining the approval/denial of the request for substantive revisions. A review of the request will be undertaken only if the attached form is complete and includes the appropriate signatures.

School-Based Budget Transfers

The criteria for determining whether a school-based budget transfer request is minor or substantive are the same as those applied to district level accounts (see above). At this time, the only school-based budget transfers considered for approval are intra-school transfers or transfers between school-based budgets and central office accounts. Transfers directly between schools are prohibited. The department is seeking guidance from the federal government on the issue of transfer of funds between schools that may be eligible for Title I funds. When information becomes available, you will be notified.

A copy of the completed form will be returned to the district with the department's determination. The Office of Fiscal Review and Improvement will periodically review the district's financial and other internal accounting records to ensure that each transfer/revision was properly submitted for department review.

A copy of each transfer/revision request must be maintained on file at the district and school. The department will also maintain a copy for audit purposes. The district should copy the attached blank forms for future uses. All transfer/revision request forms must be submitted with a copy to the Program Manager and Fiscal Coordinator at your Program Improvement Regional Center (PIRC) and the Offices of Program and Fiscal Review and Improvement. The PIRC staff will contact the district and/or school if additional information is required. The cutoff date for the submission of all transfer/revision requests is May 1, 2001.

Attached are samples of a completed request for a minor and a substantive transfer/revision.

If there are questions concerning these procedures, please contact the fiscal coordinator or budget manager/examiner at the Program Improvement Regional Center (PIRC).

BA/TM/KA/mc:budtransreq-final

Attachments

c: John Sherry
Margretta Fairweather
Jacqueline McConnell
Katie Attwood
Orlando Castro
Scott Henry
Susan Saravalli
County Superintendents
County School Business Administrators
PIRC Managers
PIRC Budget Managers/Examiners

REQUEST FOR BUDGET TRANSFER FISCAL YEAR ENDING _____

DISTRICT _____ COUNTY _____

SCHOOL _____

Please check the applicable line: ☐ District Budget ☐ School-Based Budget

In the space provided, describe the proposed transfer, including a clear explanation and rationale. Document the increases and decreases to the individual accounts on page two of this form.

Sign below on the appropriate line: The undersigned certify the proposed transfer will not affect implementation of any approved programs and services.

SUBSTANTIVE REVISION/TRANSFER:	
School Principal (school-based transfer only)	Date
School Management Team Chairperson (school-based transfer only)	Date
Chief School Administrator	Date
School Business Administrator	Date
Office of Program Review and Improvement	Date
Office of Fiscal Review and Improvement	Date
MINOR REVISION/TRANSFER:	
School Principal (school-based transfer only)	Date
School Management Team Chairperson (school-based transfer only)	Date
Chief School Administrator	Date
School Business Administrator	Date
Date of Board Resolution	
Office of Program Review and Improvement	Date
Office of Fiscal Review and Improvement	Date
DEPARTMENT APPROVAL:	
Transfer/Revision:	Not approved
Approved	

DISTRICT:

SCHOOL

[illegible]

*Column totals must agree
**Column total must equal zero

WSR TPAF and FICA Calculation to Comply with NJSA 18A:66-90											
School	Title 1 Salaries		All Other Federal Program Salaries		Title 1 Salaries		All Other Federal Program Salaries		Contractual Salaries for TPAF Reimbursement	Total Reimbursement due DOE related to WSR	
	<=\$84,900	>\$84,900	<=\$84,900	>\$84,900	<=\$87,000	>\$87,000	<=\$87,000	>\$87,000			
Lincoln	20,655	22	42,684	46	21,918	0	45,294	0	130,619	9,989	
Washington	51,911	256	58,518	289	55,297	0	62,336	0	228,607	17,455	
Jefferson	57,678	129	50,446	112	61,275	0	53,592	0	223,232	17,062	
Roosevelt	54,460	417	84,988	650	58,169	0	90,776	0	289,460	22,078	
Bonneville	63,162	897	134,764	1,913	67,902	0	144,878	0	413,516	31,460	
Bennion	33,237	472	195,341	2,774	35,731	0	210,001	0	477,556	0	
Beacon Heights	65,343	928	137,914	1,958	70,247	0	148,265	0	424,654	0	
Totals	346,446	3,121	704,655	7,742	370,539	0	755,142	0	2,187,644	98,044	
Rates	7.65%	1.45%	7.65%	1.45%	7.65%	1.45%	7.65%	1.45%	0.00%		
Total Due	26,503	45	53,906	112	28,346	0	57,769	0	0	166,681	*
* The amount reported in this field is to be inserted into Column 6, Row C on the form entitled "REIMBURSEMENT TO STATE OF NEW JERSEY - NJSA 18A:66-90".											

School-based Calculation of Title 1 and All Other Federal Program Salaries to Calculate DOE Reimbursement in Compliance with NJSA 18A:66-90 **								
School: Lincoln								
Salaries for the Calendar Year 2001					Salaries for the Calendar Year 2002			
Teacher Name	Total Contractual Salaries Paid for the Year Ended December 31, 2002	Total Contractual Salaries Paid from July 1, 2002 through December 31, 2002	Portion of Total Contractual Salaries Paid from July 1, 2002 - December 31, 2002 ≤ \$84,900 ***	Portion of Total Contractual Salaries Paid from July 1, 2002 - December 31, 2002 > \$84,900 ****	Total Contractual Salaries Paid from January 1, 2003 through June 30, 2003	Portion of Total Contractual Salaries Paid from January 1, 2003 through June 30, 2003 ≤ \$87,000 *****	Portion of Total Contractual Salaries Paid from January 1, 2003 through June 30, 2003 > \$87,000 *****	Total Contractual Salaries Paid from July 1, 2002 through June 30, 2003
Jane Doe	69,226	36,690	36,690		38,891	38,891		75,581
John Smith	15,327	8,123	8,123		8,611	8,611		16,734
Dave Jones	15,363	8,142	8,142		8,631	8,631		16,773
Brenda Williams	85,145	45,127	44,882	245	47,834	47,834		92,961
Susan Smith	65,326	34,623	34,623		36,700	36,700		71,323
Nancy Scott	15,894	8,424	8,424		8,929	8,929		17,353
Pat Bossio	23,695	12,558	12,558		13,312	13,312		25,870
Cindy Martin	40,659	21,549	21,549		22,842	22,842		44,391
Frank Dennis	46,958	24,888	24,888		26,381	26,381		51,269
Bruce Johnson	47,859	25,365	25,365		26,887	26,887		52,252
Totals (Line A)	425,452	225,490	225,245	245	239,019	239,019	0	464,508
Title 1 Rate * (Line B)		9.17%	9.17%	9.17%	9.17%	9.17%	9.17%	
Title 1 Salaries (Line A*Line B)		20,677	20,655	22	21,918	21,918	0	42,595
Other Federal Programs Rate * (Line D)		18.95%	18.95%	18.95%	18.95%	18.95%	18.95%	
Other Federal Programs Salaries (Line A*Line D)		42,730	42,684	46	45,294	45,294	0	88,024
Total Title 1 & Other Federal Program Salaries (Line C + Line E)		63,408	63,339	69	67,212	67,212	0	
Rates		0.00%	7.65%	1.45%	0.00%	7.65%	1.45%	
Reimbursements by School		0	4,845	1	0	5,142	0	9,989
* Rates are obtained from the current year <i>Statement of Expenditures Allocated by Resource Type</i> for the applicable school.								
** This calculation needs to be completed for each First, Second, Mid-Year Second, Third, and Mid-Year Third Cohort WSR School in 2002-03.								
*** The amount reported in this column for each employee is the salary paid between July 1, 2002 and December 31, 2002, which when added to the salary paid to that employee during the period of January 1, 2002 through June 30, 2002 will not exceed \$84,900. Any amount resulting in salary in excess of \$84,900 should be reported in the next column.								
**** Any amounts paid from July 1, 2002 through December 31, 2002, causing the employee salary for the calendar year 2002 to exceed \$84,900 should be reported in this column.								
***** The amount reported in this column for each employee is the salary paid between January 1, 2003 and June 30, 2003, which does not exceed \$87,000. Any amount resulting in salary in excess of \$87,000 should be reported in the next column.								
***** Any amounts paid from January 1, 2003 through June 30, 2003 in excess of \$87,000 should be reported in this column.								

School-based Calculation of Title 1 and All Other Federal Program Salaries to Calculate DOE Reimbursement in Compliance with NJSA 18A:66-90 **								
School: Washington								
Teacher Name	Salaries for the Calendar Year 2002				Salaries for the Calendar Year 2003			
	Total Contractual Salaries Paid for the Year Ended December 31, 2002	Total Contractual Salaries Paid from July 1, 2002 through December 31, 2002	Portion of Total Contractual Salaries Paid from July 1, 2002 December 31, 2002 ≤ \$84,900 ***	Portion of Total Contractual Salaries Paid from July 1, 2002 - December 31, 2002 > \$84,900 ****	Total Contractual Salaries Paid from January 3, 2002 through June 30, 2003	Portion of Total Contractual Salaries Paid from January 1, 2003 through June 30, 2003 ≤ \$87,000 *****	Portion of Total Contractual Salaries Paid from January 1, 2003 through June 30, 2003 > \$87,000 *****	Total Contractual Salaries Paid from July 1, 2002 through June 30, 2003
Brian Smith	54,632	28,955	28,955		30,692	30,692		59,647
Marc Williams	53,698	28,460	28,460		30,168	30,168		58,627
Lisa Jones	54,789	29,038	29,038		30,780	30,780		59,819
Susan Johnson	52,369	27,756	27,756		29,421	29,421		57,176
Jenna Mutnick	85,697	45,419	44,622	797	48,145	48,145		93,564
Bill Anderson	69,321	36,740	36,740		38,945	38,945		75,685
Janet Arnold	56,985	30,202	30,202		32,014	32,014		62,216
Barbara Pfeifer	86,058	45,611	44,453	1,158	48,347	48,347		93,958
Patricia Immordino	75,326	39,923	39,923		42,318	42,318		82,241
Jim Smith	73,254	38,825	38,825		41,154	41,154		79,979
Bruce Johnson	63,526	33,669	33,669		35,689	35,689		69,358
John Jones	24,563	13,018	13,018		13,799	13,799		26,818
Totals (Line A)	750,218	397,616	395,661	1,955	421,472	421,472	0	819,088
Title 1 Rate * (Line B)		13.12%	13.12%	13.12%	13.12%	13.12%	13.12%	
Title 1 Salaries (Line A*Line B)		52,167	51,911	256	55,297	55,297	0	107,464
Other Federal Programs Rate * (Line D)		14.79%	14.79%	14.79%	14.79%	14.79%	14.79%	
Other Federal Programs Salaries (Line A*Line D)		58,807	58,518	289	62,336	62,336	0	121,143
Total Title 1 & Other Federal Program Salaries (Line C + Line E)		110,974	110,429	546	117,633	117,633	0	
Rates		0.00%	7.65%	1.45%	0.00%	7.65%	1.45%	
Reimbursements by School		0	8,448	8	0	8,999	0	17,455
** This calculation needs to be completed for each First, Second, Mid-Year Second, Third, and Mid-Year Third Cohort WSR School in 2002-03.								
* Rates are obtained from the current year <i>Statement of Expenditures Allocated by Resource Type</i> for the applicable school.								
** This calculation needs to be completed for each First, Second, Mid-Year Second and Third Cohort WSR School in 2002-03.								
*** The amount reported in this column for each employee is the salary paid between July 1, 2002 and December 31, 2002, which when added to the salary paid to that employee during the period of January 1, 2002 through June 30, 2002 will not exceed \$84,700. Any amount resulting in salary in excess of \$84,700 should be reported in the next column.								
**** Any amounts paid from July 1, 2002 through December 31, 2002, causing the employee salary for the calendar year 2002 to exceed \$84,700 should be reported in this column.								
***** The amount reported in this column for each employee is the salary paid between January 1, 2003 and June 30, 2003, which does not exceed \$87,000. Any amount resulting in salary in excess of \$87,000 should be reported in the next column.								
***** Any amounts paid from January 1, 2003 through June 30, 2003 in excess of \$87,000 should be reported in this column.								

School-based Calculation of Title 1 and All Other Federal Program Salaries to Calculate DOE Reimbursement in Compliance with NJSA 18A:66-90 **								
School: Jefferson								
Salaries for the Calendar Year 2002					Salaries for the Calendar Year 2003			
Teacher Name	Total Contractual Salaries Paid for the Year Ended December 31, 2002	Total Contractual Salaries Paid from July 1, 2002 through December 31, 2002	Portion of Total Contractual Salaries Paid from July 1, 2002 - December 31, 2002 ≤ \$84,900 ***	Portion of Total Contractual Salaries Paid from July 1, 2002 - December 31, 2002 > \$84,900 ****	Total Contractual Salaries Paid from January 3, 2002 through June 30, 2003	Portion of Total Contractual Salaries Paid from January 1, 2003 through June 30, 2003 ≤ \$87,000 *****	Portion of Total Contractual Salaries Paid from January 1, 2003 through June 30, 2003 > \$87,000 *****	Total Contractual Salaries Paid from July 1, 2002 through June 30, 2003
Dave Smith	85,569	45,352	44,683	669	48,073	48,073		93,424
Julia Carbone	75,963	40,260	40,260		42,676	42,676		82,936
John Alessio	54,693	28,987	28,987		30,727	30,727		59,714
Juan Santiago	53,269	28,233	28,233		29,927	29,927		58,159
Kristen Jones	55,698	29,520	29,520		31,291	31,291		60,811
Brenda Rudolph	63,985	33,912	33,912		35,947	35,947		69,859
James Brooks	58,942	31,239	31,239		33,114	33,114		64,353
Kevin Johnson	56,742	30,073	30,073		31,878	31,878		61,951
Jeffrey French	26,985	14,302	14,302		15,160	15,160		29,462
Karl Franks	35,629	18,883	18,883		20,016	20,016		38,900
Totals (Line A)	567,475	300,762	300,093	669	318,807	318,807	0	619,569
Title 1 Rate * (Line B)		19.22%	19.22%	19.22%	19.22%	19.22%	19.22%	
Title 1 Salaries (Line A*Line B)		57,806	57,678	129	61,275	61,275	0	119,081
Other Federal Programs Rate * (Line D)		16.81%	16.81%	16.81%	16.81%	16.81%	16.81%	
Other Federal Programs Salaries (Line A*Line D)		50,558	50,446	112	53,592	53,592	0	104,150
Total Title 1 & Other Federal Program Salaries (Line C + Line E)		108,364	108,123	241	114,866	114,866	0	
Rates		0.00%	7.65%	1.45%	0.00%	7.65%	1.45%	
Reimbursements by School		0	8,271	3	0	8,787	0	17,062
* Rates are obtained from the current year <i>Statement of Expenditures Allocated by Resource Type</i> for the applicable school.								
** This calculation needs to be completed for each First, Second, Mid-Year Second, Third, and Mid-Year Third Cohort WSR School in 2002-03.								
*** The amount reported in this column for each employee is the salary paid between July 1, 2001 and December 31, 2001, which when added to the salary paid to that employee during the period of January 1, 2001 through June 30, 2001 will not exceed \$80,400. Any amount resulting in salary in excess of \$80,400 should be reported in the next column.								
**** This calculation needs to be completed for each First, Second, Mid-Year Second and Third Cohort WSR School in 2002-03.								
***** Any amounts paid from July 1, 2001 through December 31, 2001, causing the employee salary for the calendar year 2001 to exceed \$80,400 should be reported in this column.								
***** The amount reported in this column for each employee is the salary paid between January 1, 2002 and June 30, 2002, which does not exceed \$84,900. Any amount resulting in salary in excess of \$84,900 should be reported in the next column.								
***** Any amounts paid from July 1, 2002 through December 31, 2002, causing the employee salary for the calendar year 2002 to exceed \$84,700 should be reported in this column.								
***** Any amounts paid from January 1, 2002 through June 30, 2002 in excess of \$84,900 should be reported in this column.								
***** The amount reported in this column for each employee is the salary paid between January 1, 2003 and June 30, 2003, which does not exceed \$87,000. Any amount resulting in salary in excess of \$87,000 should be reported in the next column.								

School-based Calculation of Title 1 and All Other Federal Program Salaries to Calculate DOE Reimbursement in Compliance with NJSA 18A:66-90 **								
School: Roosevelt								
	Salaries for the Calendar Year 2002				Salaries for the Calendar Year 2003			
Teacher Name	Total Contractual Salaries Paid for the Year Ended December 31, 2002	Total Contractual Salaries Paid from July 1, 2002 through December 31, 2002	Portion of Total Contractual Salaries Paid from July 1, 2002 - December 31, 2002 <= \$84,900 ***	Portion of Total Contractual Salaries Paid from July 1, 2002 - December 31, 2002 > \$84,900 ****	Total Contractual Salaries Paid from January 3, 2002 through June 30, 2003	Portion of Total Contractual Salaries Paid from January 1, 2003 through June 30, 2003 <= \$87,000 *****	Portion of Total Contractual Salaries Paid from January 1, 2003 through June 30, 2003 >\$87,000 *****	Total Contractual Salaries Paid from July 1, 2002 through June 30, 2003
John Doe	38,695	20,508	20,508		21,739	21,739		42,247
Dave Maher	26,694	14,148	14,148		14,997	14,997		29,145
Joann Smith	75,956	40,257	40,257		42,672	42,672		82,929
Laura Jones	72,369	38,356	38,356		40,657	40,657		79,012
Marc Williams	68,956	36,547	36,547		38,739	38,739		75,286
Lisa Jones	66,218	35,096	35,096		37,201	37,201		72,297
Susan Johnson	55,639	29,489	29,489		31,258	31,258		60,747
Frank Davis	53,265	28,230	28,230		29,924	29,924		58,155
Michael Marks	54,897	29,095	29,095		30,841	30,841		59,937
Jennifer Donalds	85,921	45,538	44,517	1,021	48,270	48,270		93,809
Michelle Dennis	86,636	45,917	44,181	1,736	48,672	48,672		94,589
Totals (Line A)	685,246	363,180	360,423	2,757	384,971	384,971	0	748,152
Title 1 Rate * (Line B)		15.11%	15.11%	15.11%	15.11%	15.11%	15.11%	
Title 1 Salaries (Line A*Line B)		54,877	54,460	417	58,169	58,169	0	113,046
Other Federal Programs Rate * (Line D)		23.58%	23.58%	23.58%	23.58%	23.58%	23.58%	
Other Federal Programs Salaries (Line A*Line D)		85,637	84,988	650	90,776	90,776	0	176,414
Total Title 1 & Other Federal Program Salaries (Line C + Line E)		140,514	139,448	1,067	148,945	148,945	0	
Rates		0.00%	7.65%	1.45%	0.00%	7.65%	1.45%	
Reimbursements by School		0	10,668	15	0	11,394	0	22,078
* Rates are obtained from the current year <i>Statement of Expenditures Allocated by Resource Type</i> for the applicable school.								
*** This calculation needs to be completed for each First, Second, Mid-Year Second, Third, and Mid-Year Third Cohort WSR School in 2002-03.								
** This calculation needs to be completed for each First, Second, Mid-Year Second and Third Cohort WSR School in 2001-02.								
** This calculation needs to be completed for each First, Second, Mid-Year Second and Third Cohort WSR School in 2002-03.								
**** Any amounts paid from July 1, 2001 through December 31, 2001, causing the employee salary for the calendar year 2001 to exceed \$80,400 should be reported in this column.								
**** Any amounts paid from July 1, 2002 through December 31, 2002, causing the employee salary for the calendar year 2002 to exceed \$84,700 should be reported in this column.								
***** The amount reported in this column for each employee is the salary paid between January 1, 2003 and June 30, 2003, which does not exceed \$87,000. Any amount resulting in salary in excess of \$87,000 should be reported in								

School-based Calculation of Title 1 and All Other Federal Program Salaries to Calculate DOE Reimbursement in Compliance with NJSA 18A:66-90 **								
School: Bonneville								
	Salaries for the Calendar Year 2002				Salaries for the Calendar Year 2003			
Teacher Name	Total Contractual Salaries Paid for the Year Ended December 31, 2002	Total Contractual Salaries Paid from July 1, 2002 through December 31, 2002	Portion of Total Contractual Salaries Paid from July 1, 2002 - December 31, 2002 ≤ \$84,900 ***	Portion of Total Contractual Salaries Paid from July 1, 2002 - December 31, 2002 > \$84,900 ****	Total Contractual Salaries Paid from January 3, 2002 through June 30, 2003	Portion of Total Contractual Salaries Paid from January 1, 2003 through June 30, 2003 ≤ \$87,000 *****	Portion of Total Contractual Salaries Paid from January 1, 2003 through June 30, 2003 > \$87,000 *****	Total Contractual Salaries Paid from July 1, 2002 through June 30, 2003
Dave Smith	89,569	47,472	42,803	4,669	50,320	50,320		97,791
Julia Carbone	75,963	40,260	40,260		42,676	42,676		82,936
John Alessio	54,693	28,987	28,987		30,727	30,727		59,714
Juan Santiago	53,269	28,233	28,233		29,927	29,927		58,159
Kristen Jones	55,698	29,520	29,520		31,291	31,291		60,811
Brenda Rudolph	63,985	33,912	33,912		35,947	35,947		69,859
Janet Arnold	56,985	30,202	30,202		32,014	32,014		62,216
Barbara Pfeifer	85,965	45,561	44,496	1,065	48,295	48,295		93,857
Patricia Immordino	75,326	39,923	39,923		42,318	42,318		82,241
Jim Smith	73,254	38,825	38,825		41,154	41,154		79,979
Bruce Johnson	63,526	33,669	33,669		35,689	35,689		69,358
John Jones	24,563	13,018	13,018		13,799	13,799		26,818
Totals (Line A)	772,796	409,582	403,848	5,734	434,157	434,157	0	843,739
Title 1 Rate * (Line B)		15.64%	15.64%	15.64%	15.64%	15.64%	15.64%	
Title 1 Salaries (Line A*Line B)		64,059	63,162	897	67,902	67,902	0	131,961
Other Federal Programs Rate * (Line D)		33.37%	33.37%	33.37%	33.37%	33.37%	33.37%	
Other Federal Programs Salaries (Line A*Line D)		136,677	134,764	1,913	144,878	144,878	0	281,556
Total Title 1 & Other Federal Program Salaries (Line C + Line E)		200,736	197,926	2,810	212,780	212,780	0	
Rates		0.00%	7.65%	1.45%	0.00%	7.65%	1.45%	
Reimbursements by School		0	15,141	41	0	16,278	0	31,460
* Rates are obtained from the current year <i>Statement of Expenditures Allocated by Resource Type</i> for the applicable school.								
** This calculation needs to be completed for each First, Second, Mid-Year Second, Third, and Mid-Year Third Cohort WSR School in 2002-03.								
** This calculation needs to be completed for each First, Second, Mid-Year Second and Third Cohort WSR School in 2001-02.								
** This calculation needs to be completed for each First, Second, Mid-Year Second and Third Cohort WSR School in 2002-03.								
**** Any amounts paid from July 1, 2001 through December 31, 2001, causing the employee salary for the calendar year 2001 to exceed \$80,400 should be reported in this column.								
**** Any amounts paid from July 1, 2002 through December 31, 2002, causing the employee salary for the calendar year 2002 to exceed \$84,700 should be reported in this column.								
***** The amount reported in this column for each employee is the salary paid between January 1, 2003 and June 30, 2003, which does not exceed \$87,000. Any amount resulting in salary in excess of \$87,000 should be reported in								

School-based Calculation of Title I and All Other Federal Program Salaries to Calculate DOE Reimbursement in Compliance with NJSA 18A:66-90 **								
School: Bennion								
	Salaries for the Calendar Year 2002				Salaries for the Calendar Year 2003			
Teacher Name	Total Contractual Salaries Paid for the Year Ended December 31, 2002	Total Contractual Salaries Paid from July 1, 2002 through December 31, 2002	Portion of Total Contractual Salaries Paid from July 1, 2002 - December 31, 2002 ≤ \$84,900 ***	Portion of Total Contractual Salaries Paid from July 1, 2002 - December 31, 2002 > \$84,900 ****	Total Contractual Salaries Paid from January 3, 2002 through June 30, 2003	Portion of Total Contractual Salaries Paid from January 1, 2003 through June 30, 2003 ≤ \$87,000 *****	Portion of Total Contractual Salaries Paid from January 1, 2003 through June 30, 2003 > \$87,000 *****	Total Contractual Salaries Paid from July 1, 2002 through June 30, 2003
Dave Jones	89,569	47,472	42,803	4,669	50,320	50,320		97,791
Julia Smith	75,963	40,260	40,260		42,676	42,676		82,936
John Brown	54,693	28,987	28,987		30,727	30,727		59,714
Juan Mendez	53,269	28,233	28,233		29,927	29,927		58,159
Kristen Williams	55,698	29,520	29,520		31,291	31,291		60,811
Brenda Sullivan	63,985	33,912	33,912		35,947	35,947		69,859
Janet Ashland	56,985	30,202	30,202		32,014	32,014		62,216
Barbara Ross	85,965	45,561	44,496	1,065	48,295	48,295		93,857
Patricia Henry	75,326	39,923	39,923		42,318	42,318		82,241
Jim Gorman	73,254	38,825	38,825		41,154	41,154		79,979
Bruce Jennings	63,526	33,669	33,669		35,689	35,689		69,358
John Hoyer	24,563	13,018	13,018		13,799	13,799		26,818
Totals (Line A)	772,796	409,582	403,848	5,734	434,157	434,157	0	843,739
Title 1 Rate * (Line B)		8.23%	8.23%	8.23%	8.23%	8.23%	8.23%	
Title 1 Salaries (Line A*Line B)		33,709	33,237	472	35,731	35,731	0	69,440
Other Federal Programs Rate * (Line D)		40.14%	40.14%	40.14%	40.14%	40.14%	40.14%	
Other Federal Programs Salaries (Line A*Line D)		164,406	162,105	2,302	174,271	174,271	0	338,677
Total Title 1 & Other Federal Program Salaries (Line C + Line E)		198,115	195,341	2,774	210,001	210,001	0	
Rates		0.00%	7.65%	1.45%	0.00%	7.65%	1.45%	
Reimbursements by School		0	14,944	40	0	16,065	0	31,049
* Rates are obtained from the current year <i>Statement of Expenditures Allocated by Resource Type</i> for the applicable school.								
** This calculation needs to be completed for each First, Second, Mid-Year Second, Third, and Mid-Year Third Cohort WSR School in 2002-03.								
** This calculation needs to be completed for each First, Second, Mid-Year Second and Third Cohort WSR School in 2001-02.								
**** Any amounts paid from July 1, 2001 through December 31, 2001, causing the employee salary for the calendar year 2001 to exceed \$80,400 should be reported in this column.								
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***** Any amounts paid from January 1, 2003 through June 30, 2003 in excess of \$87,000 should be reported in this column.								

School-based Calculation of Title I and All Other Federal Program Salaries to Calculate DOE Reimbursement in Compliance with NJSA 18A:66-90 **								
School: Beacon Heights								
	Salaries for the Calendar Year 2002				Salaries for the Calendar Year 2003			
Teacher Name	Total Contractual Salaries Paid for the Year Ended December 31, 2002	Total Contractual Salaries Paid from July 1, 2002 through December 31, 2002	Portion of Total Contractual Salaries Paid from July 1, 2002 - December 31, 2002 ≤ \$84,900 ***	Portion of Total Contractual Salaries Paid from July 1, 2002 - December 31, 2002 > \$84,900 ****	Total Contractual Salaries Paid from January 3, 2002 through June 30, 2003	Portion of Total Contractual Salaries Paid from January 1, 2003 through June 30, 2003 ≤ \$87,000 *****	Portion of Total Contractual Salaries Paid from January 1, 2003 through June 30, 2003 > \$87,000 *****	Total Contractual Salaries Paid from July 1, 2002 through June 30, 2003
Dave Bossio	89,569	47,472	42,803	4,669	50,320	50,320		97,791
Julia Chiaratti	75,963	40,260	40,260		42,676	42,676		82,936
John Angeloni	54,693	28,987	28,987		30,727	30,727		59,714
Juan Santiaga	53,269	28,233	28,233		29,927	29,927		58,159
Kristen Brown	55,698	29,520	29,520		31,291	31,291		60,811
Brenda Rendy	63,985	33,912	33,912		35,947	35,947		69,859
Janet Amish	56,985	30,202	30,202		32,014	32,014		62,216
Barbara Pizer	85,965	45,561	44,496	1,065	48,295	48,295		93,857
Patricia Innes	75,326	39,923	39,923		42,318	42,318		82,241
Jim Sunn	73,254	38,825	38,825		41,154	41,154		79,979
Bruce Jones	63,526	33,669	33,669		35,689	35,689		69,358
John Jetson	24,563	13,018	13,018		13,799	13,799		26,818
Totals (Line A)	772,796	409,582	403,848	5,734	434,157	434,157	0	843,739
Title 1 Rate * (Line B)		16.18%	16.18%	16.18%	16.18%	16.18%	16.18%	
Title 1 Salaries (Line A*Line B)		66,270	65,343	928	70,247	70,247	0	136,517
Other Federal Programs Rate * (Line D)		34.15%	34.15%	34.15%	34.15%	34.15%	34.15%	
Other Federal Programs Salaries (Line A*Line D)		139,872	137,914	1,958	148,265	148,265	0	288,137
Total Title 1 & Other Federal Program Salaries (Line C + Line E)		206,142	203,257	2,886	218,511	218,511	0	
Rates		0.00%	7.65%	1.45%	0.00%	7.65%	1.45%	
Reimbursements by School		0	15,549	42	0	16,716	0	32,307
* Rates are obtained from the current year <i>Statement of Expenditures Allocated by Resource Type</i> for the applicable school.								
** This calculation needs to be completed for each First, Second, Mid-Year Second, Third, and Mid-Year Third Cohort WSR School in 2002-03.								
*** This calculation needs to be completed for each First, Second, Mid-Year Second and Third Cohort WSR School in 2001-02.								
**** This calculation needs to be completed for each First, Second, Mid-Year Second and Third Cohort WSR School in 2002-03.								
***** Any amounts paid from July 1, 2001 through December 31, 2001, causing the employee salary for the calendar year 2001 to exceed \$80,400 should be reported in this column.								
***** Any amounts paid from July 1, 2002 through December 31, 2002, causing the employee salary for the calendar year 2002 to exceed \$84,700 should be reported in this column.								
***** The amount reported in this column for each employee is the salary paid between January 1, 2003 and June 30, 2003, which does not exceed \$87,000. Any amount resulting in salary in excess of \$87,000 should be reported in								
***** Any amounts paid from January 1, 2003 through June 30, 2003 in excess of \$87,000 should be reported in this column.								



State of New Jersey

DEPARTMENT OF EDUCATION
PO Box 500
TRENTON NJ 08625-0500

JAMES E. MCGREEVEY
Governor

WILLIAM L. LIBRERA
Commissioner

January 7, 2003

TO: Board Secretaries/Business Administrators

FROM: Bob Marut, Administrative Analyst II *BM*
Office of Budget and Accounting

SUBJECT: Federal Programs: Pension and Social Security Reimbursement to
State of New Jersey for Contributions Paid by the State

The Department of Education, Office of Budget and Accounting has been notified by the **Division of Pensions & Benefits** that the State payment to the Teacher's Pension and Annuity Fund for Fiscal Year 2002- 2003 will be **3.9%**.

The reporting form for Title 1 and other Federal programs will be mailed to your district during July 2003. The form will show the 2002-03 pension rate of **3.9%** and social security rate for calendar year 2002 of **7.65%** of the first **\$84,900.00** and **1.45%** for gross wages in excess of **\$84,900.00**. For calendar year 2003 the rate is **7.65%** of the first **\$87,000.00** and **1.45%** for gross wages in excess of **\$87,000.00**.

In accordance with N.J.S.A. 18A:66-90 the above rates must be used when budgeting for Title 1 and other Federal Programs for FY03.

Your school district will be notified by the Public Employees' Retirement System if a payment is due for P.E.R.S. members.

Please disseminate this information to your program directors so that the necessary budget revisions can be made prior to June 30, 2003.

c: County Office- North, Central, and South
Anne Corwell
Art Levinowitz

www.nj.gov/education

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APPENDIX C-2

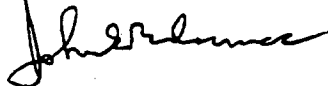



State of New Jersey
OFFICE OF THE STATE TREASURER
PO Box 002
TRENTON NJ 08625-0002

JAMES E. MCGREEVEY
Governor

JOHN E. MCCORMAC, C.P.A.
State Treasurer

TO: School Administrators

FROM: John E. McCormac, State Treasurer
Department of Treasury 
William L. Librera, Commissioner
Department of Education 

DATE: June 11, 2003

SUBJECT: Special Education Medicaid Initiative (SEMI)

We are writing to remind you of the requirements for billings under the Special Education Medicaid Initiative (SEMI) program.

As you know, SEMI allows both the State and the local school districts to receive federal dollars to offset the cost of providing medical services, such as therapy services to Medicaid eligible children in the schools.

Enclosed is a copy of the SEMI Handbook which outlines all the requirements that must be met for a school to receive the federal dollars generated under SEMI.

The SEMI Handbook describes various documentation requirements necessary for the implementation of the SEMI program. Throughout the handbook there are items needed to support the claiming of services. They include such things as maintaining parental consent forms and IEPs to indicate that certain services are claimable.

When reviewing the SEMI handbook, pay special attention to Chapter IV: Service Descriptions and Documentation Requirements. This section specifies what activities are considered billable under SEMI and describes evaluations and related services. In addition, this section indicates what documentation is necessary to support a claim for reimbursement. These include such things as physicians' orders for nursing services and physical therapy, as well as the importance of the IEP in determining why a service has been recommended.

If you have any questions regarding the SEMI program, please contact Lori Bemby of MAXIMUS. Ms. Bemby can be reached by telephone at (800) 618-7364 extension 200 or via email at loribembry@maximus.com.